

A

**Project Report**

**“A STUDY OF FUNDS FLOW ANALYSIS OF  
STEEL AUTHORITY OF INDIA LTD.”**

**Submitted to**

**G. S. College of Commerce & Economics, Nagpur**

*Affiliated to*

**Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur**

In partial fulfillment for the award of the degree of

**Bachelor of Business Administration**

Submitted by

**KARTIK DASANI**

Under the Guidance of

**DR. KAMLESH THOTE**

**G.S. COLLEGE OF COMMERCE & ECONOMICS, NAGPUR**

**ACADEMIC YEAR 2023-2024**



**G.S. COLLEGE OF COMMERCE & ECONOMICS, NAGPUR**

**ACADEMIC YEAR 2023-2024**



## **CERTIFICATE**

This is to certify that “**KARTIK DASANI**” has submitted the project report titled “A Study of funds flow analysis of steel authority of India Limited” towards partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate. It is further certified that he/she has ingeniously completed his/her project as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University.

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**Place:**

**NagpurDate**

**G.S. COLLEGE OF COMMERCE & ECONOMICS, NAGPUR**

**ACADEMIC YEAR 2023-2024**



## **DECLARATION**

I here -by declare that the project with title “**A Study of Funds Flow Analysis Of Steel Authority Of India Ltd**” has been completed by me in partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University. And this has not been submitted for any other examination and does not form part of any other course undertaken by me.

**KARTIK DASANI**

**Place:**

**Date:**

G.S. COLLEGE OF COMMERCE & ECONOMICS, NAGPUR

ACADEMIC YEAR 2023-2024



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I would like to thanks all those who helped me in making this project complete and successful.

**KARTIK DASANI**

**Place:**

**Date:**

**INDEX**

<b>Sr No</b>	<b>CHAPTER SCHEME</b>	<b>Page No</b>
1	Introduction	1-10
2	Company Profile	11-12
3	Introduction To Fund Flow Statement	13-16
4	Research Studies	10
	<ul style="list-style-type: none"> <li>• Objective Of Study</li> </ul>	14-15
	<ul style="list-style-type: none"> <li>• Hypothesis</li> </ul>	18-19
5	Research Methodology	20
6	Data Analysis & Interpretation	23-35
7	Conclusion and Limitations	40-42
8	Suggestion	43-45
9	Bibliography	46-47
10	Annexure	48-50

**CHAPTER 1**  
**INTRODUCTION**

## INTRODUCTION TO FINANCE

**Finance** is a field closely related to accounting that deals with the allocation of assets and liabilities over time under conditions of certainty and uncertainty. Finance also applies and uses the theories of economics at some level. Finance can also be defined as the science of money management. A key point in finance is the [time value of money](http://en.wikipedia.org/wiki/Time_value_of_money), which states that purchasing power of one unit of currency can vary over time. Finance aims to price assets based on their risk level and their expected rate of return. Finance can be broken into three different sub- categories: public finance, corporate finance and personal finance.

Finance is the procurement (to get, obtain) of funds and effective (properly planned) utilization of funds. It also deals with profits that adequately compensate for the cost and risks borne by the business." **Finance** is a field closely related to accounting that deals with the allocation of assets and liabilities over time under conditions of certainty and uncertainty. Finance also applies and uses the theories of economics at some level. Finance can also be defined as the science of money management. A key point in finance is the time value of [HYPERLINK "http://en.wikipedia.org/wiki/Time\\_value\\_of\\_money"money](http://en.wikipedia.org/wiki/Time_value_of_money), which states that purchasing power of one unit of currency can vary over time. Finance aims to price assets based on their risk level and their expected rate of return. Finance can be broken into three different sub- categories: public finance, corporate finance and personal finance

## FUNCTIONS OF FINANCIAL MANAGEMENT

- **Estimation of capital requirements:** A finance manager has to make an estimation with regards to capital requirements of the company. This will depend upon expected costs and profits and future programs and policies of a concern. Estimates have to be made in an adequate manner which increases the earning capacity of an enterprise.
- **Determination of capital composition:** Once the estimation has been made, the capital structure has to be decided. This involves short- term and long- term debt equity analysis. This will depend upon the proportion of equity capital a company is possessing and additional funds which have to be raised from outside parties.
- **Choice of sources of funds:** For additional funds to be procured, a company has many choices like-
  - Issue of shares and debentures
  - Loans to be taken from banks and financial institutions
  - Public deposits to be drawn like in the form of bonds.

Choice of factor will depend on relative merits and demerits of each source and period of financing.

- **Investment of funds:** The finance manager has to decide to allocate funds into profitable ventures so that there is safety on investment and regular returns are possible.
- **Disposal of surplus:** The net profits decision has to be made by the finance manager. This can be done in two ways:
  - Dividend declaration – it includes identifying the rate of dividends and other benefits like bonus.



- Retained profits - The volume has to be decided which will depend upon expansion, innovation, diversification plans of the company.
- **Management of cash:** Finance managers have to make decisions with regards to cash management. Cash is required for many purposes like payment of wages and salaries, payment of electricity and water bills, payment to creditors, meeting current liabilities, maintenance of enough stock, purchase of raw materials, etc.

A funds flow statement is a consolidated statement of all the cross transactions over the period for which the flow is being analyzed.

Cross Transactions i.e., transactions involving a current account and a non-current account bring about a change in the fund or working capital. Some bring about an increase in fund and others bring about a decrease in the available fund (working capital).

The cross transactions presented in the funds flow statement are classified/grouped into two as,

- **Sources/Inflows of funds**

Transactions which bring about an increase in the available fund (working capital)

- **Applications/Outflows of fund**

Transactions which bring about a decrease in the available fund (working capital)

### **Identifying Inflows/Outflows from changes in Non-Current Accounts**

A cross transaction which brings about a change through an inflow/outflow of funds involves a current account and a non-current account.

Of all the transactions that take place in an organization during a period, the number of transactions involving non-current accounts would be far lesser than the transactions involving current accounts.

Therefore, in identifying cross transactions it would be easier to look out for transactions involving non-current accounts and then looking out for cross transactions within them rather than going through all the transactions.

### **Inflow/Sources of Funds**

Where, on account of an accounting transaction, there is an increase in Fund (working capital) we say that there is an inflow/source of fund.

There will be an inflow, when, on account of the transaction, there is

- a decrease in the value of a non-current asset

(Or)

- an increase in the value of a non-current liability

We raise funds either by selling away assets or by taking loans (liabilities).

### **Personal Finances**

- Personal finances are essential to obtain such basic provisions as food, shelter and clothing. Beyond the acquisition of needs, personal finances also function to provide other items to enhance the quality of life. Finances are relevant not only to present-day needs, but also factor into an individual's preparedness for the future. CNNMoney.com recommends consulting a professional financial planner to develop an asset allocation plan. Such plans take into consideration current and long-term goals, such as paying for college tuition or funding a retirement.

## **Corporate Finances**

- Much in the same way that personal finances are concerned with survival, so is the case with corporate finances. Companies ultimately need to earn a profit to stay in business and this means keeping a close eye on expenses versus income. Unlike personal finances, though, corporate finances have a far greater impact on society as a whole. The financial actions of corporations do not merely affect their own employees. Investors depend on the fiscal health of companies, and this in turn affects broad sectors of the economy.

## **Meaning of Financial Management**

Financial Management means planning, organizing, directing and controlling the financial activities such as procurement and utilization of funds of the enterprise. It means applying general management principles to financial resources of the enterprise.

## **DEFINITION**

“finance is a simple task of providing the necessary funds (money) required by the business of entities like companies, and others on the terms that are most favorable to achieve their economic objectives.”

## **Scope/Elements**

- Investment decisions include investment in fixed assets (called as capital budgeting). Investment in current assets is also a part of investment decisions called working capital decisions.
- Financial decisions - They relate to the raising of finance from various resources which will depend upon decision on type of source, period of financing, cost of financing and the returns thereby.

- Dividend decision - The finance manager has to make a decision with regards to the net profit distribution. Net profits are generally divided into two:
  - Dividend for shareholders- Dividend and the rate of it has to be decided.
- Retained profits- Amount of retained profits has to be finalized which will depend upon expansion and diversification plans of the enterprise.

## **INTRODUCTION TO FUND FLOW**

The purpose of measuring trading performance, operational efficiency, profitability and financial position of a concern revealed by Trading, Profit and Loss Account and Balance Sheet. These financial statements are prepared to find out the Gross Profit or Gross Loss, Net Profit or Net Loss and financial soundness of a firm ~ a whole for a particular period of time. From the management point of view, the usefulness of information provided by these income statements functions effectively and efficiently. In the true sense they do not disclose the nature of all transactions. Management, Creditors and Investors etc. want to determine or evaluate the sources and application of funds employed by the firm for the future course of action. Based on these backgrounds, it is essential to analyze the movement of assets, liabilities, funds from operations and capital between the components of two-year financial statements. The analysis of financial statements helps the management by providing additional information in a meaningful manner.

### **Meaning Of Flow Of Funds**

The term "Flow of Funds" refers to changes or movement of funds or changes in working capital in the normal course of business transactions. The changes in working capital may be in the form of inflow of working capital or outflow of working capital. In other words, any increase or decrease in working capital when the transactions take place is called "Flow of Funds." If the components of working capital result in an increase of the fund, it is known as Inflow of Fund or Sources of Fund. Similarly, if the components of working capital effects in decreasing the financial position it is treated as Outflow of Fund. For example, if the fund raised by way of issue of shares will be taken as a source of fund or inflow of fund. This transaction results in an increase of the financial position. Like this, the fund used for the purchase of machinery will be taken as application or use of fund or outflow of fund. Because it stands to reduce the fund position.

### **Meaning Of Funds**

The term "Fund" refers to Cash, to Cash Equivalents or to Working Capital and all financial resources which are used in business. These total resources of a concern are in the form of men, materials, money, plant and equipment and others.

In a broader meaning the word "Fund" refers to Working Capital. The Working Capital indicates the difference between current assets and current liabilities. The term working capital may be :

- (a) Gross Working Capital and
- (b) Net Working Capital.

"Gross Working Capital" represents the total of all Current Assets. "Net Working Capital" refers to excess of Current Assets over Current Liabilities. In a narrow sense the word "Fund" denotes cash or cash equivalents.

The following chart shows the movement of funds

### **No Flow Of Funds**

Some transactions may not make any movement or changes in the fund position. Such transactions are involved within the business concern. Like the transaction which involves both between current assets and current liabilities or between non-current assets and non-current liabilities and hence do not result in The flow of funds. For example, conversion of shares into debentures. Such transaction involves between non-current account only and this activity does not affect in increase or decrease of the working capital position.

## Statement Of Changes In Financial Position

It is a statement prepared on the basis of all financial resources, i.e., assets, liabilities and capital. This statement is an attempt to measure changes in both current and non-current accounts. The changes in financial position may occur in deal with following transactions:

- Involves between current assets and noncurrent assets (fixed assets or permanent assets).
- Involves between current liabilities and noncurrent assets.
- Involves between current assets and non-current liabilities (long- term liabilities and capital).
- Involves between current liabilities and non-current liabilities.

The following chart explains the flow of funds when transaction involves between current and non-current accounts

The financial management is generally concerned with procurement, allocation and control of financial resources of a concern. The objectives can be

- To ensure regular and adequate supply of funds to the concern.
- To ensure adequate returns to the shareholders which will depend upon the earning capacity, market price of the share, expectations of the shareholders.
- To ensure optimum funds utilization. Once the funds are procured, they should be utilized in maximum possible way at least cost.
- To ensure safety on investment, funds should be invested in safe ventures so that adequate rate of return can be achieved.
- To plan a sound capital structure-There should be sound and fair composition of capital so that a balance is maintained between debt and equity capital.

# **CHAPTER - 2**

## **COMPANY PROFILE**



## COMPANY PROFILE



Steel Authority of India Limited (SAIL) is an Indian state-owned steel making company based in New Delhi, India. It is a public sector undertaking, owned and operated by the Government of India with an annual turnover of INR 66,267 Crore (US\$9.32 Billion) for fiscal year **2022-23**. Incorporated on 24 January 1974, SAIL has 65,807 employees (as of 01-Mar-2021). With an annual production of 16.30 million metric tons, SAIL is the 20th largest steel producer in the world and the 3rd largest in India. The Hot Metal production capacity of the company will further increase and is expected to reach a level of 50 million tons per annum by 2025. Smt. Soma Mondal is the current Chairman of SAIL.

SAIL operates and owns 5 integrated steel plants at Bhilai, Rourkela, Durgapur, Bokaro and Burnpur(Asansol) and 3 special steel plants at Salem, Durgapur and Bhadravathi. It also owns a Ferro Alloy plant at Chandrapur. As a part of its global ambition, the **company** is undergoing a massive expansion and modernization programme involving upgrading and building new facilities with emphasis on state-of-the-art green technology.

The Ministry of Steel and Mines drafted a policy statement to evolve a new model for managing industry. The policy statement was presented to the Parliament on 2 December 1972. On this basis the concept of creating a holding company to manage inputs and outputs under one roof was mooted. This led to the formation of The Steel Authority of India Ltd

**CHAPTER – 3**  
**INTRODUCTION TO FUND FLOW**  
**STATEMENT**

### **Funds flow analysis not possible from the Statement of changes in Working Capital**

From the statement of changes in working capital, we can only say that there is a change in fund (working capital) on account of a change in so and so current account balance.

The statement only provides the information relating to the magnitude of the fund before and after the flow along with the magnitude of change in the fund.

Funds flow analysis involves analyzing the flow i.e. finding the reasons for the flow. This involves dealing with the actual transactions that have caused the flow.

The statement of changes in working capital does not provide any information relating to the actual transactions that have caused that change.

### **For analysing Funds Flow we need additional information**

Cross transactions are the reason for funds flow.

Of all the accounting transactions that have brought about a change in the current accounts, only cross transactions would be relevant in analysing funds flow.

To analysing funds flow using the information relevant to current accounts, we need consider all the accounting transactions that have affected current accounts and from among them we need to identify the cross transactions which have also brought about a change in the fund (working capital).

### **Minimizing the effort**

Cross transaction involves a current account and a non-current account. Cross transactions are all that we need to be able to analyse funds flow.

The magnitude of accounting transactions involving non-current accounts are generally far lesser compared to the accounting transactions involving current accounts.

Therefore, in analysing funds flow we try to identify the cross transactions using the changes in non-current accounts.

## **FUND FLOW STATEMENT**

Fund flow statement also referred to as statement of “source and application of funds” provides insight into the movement of funds and helps to understand the changes in the structure of assets, liabilities and equity capital. The information required for the preparation of funds flow statement is drawn from the basic financial statements such as the Balance Sheet and Profit and loss account. “Funds Flow Statement” can be prepared on total resource basis, working capital basis and cash basis. The most commonly accepted form of fund flow is the one prepared on working capital basis.

### **CASH FLOW VS FUND FLOW**

**CASH FLOW** – A Cash Flow Statement is a statement which shows inflows and outflows of cash and cash equivalents of an enterprise during a particular period. It provides information about cash flows, associated with the period’s operations and also about the entity’s investing and financing activities during the period.

**FUND FLOW** – Fund Flow Statement also referred to as the statement of “Source and Application of Funds” provides insight into the movement of funds and helps to understand the changes in the structure of assets, liabilities and equity capital.,

A fund flow statement is different from cash flow statement in the following ways –

- i). Funds flow statement is based on the concept of working capital while cash flow statement is based on cash which is only one of the element of working capital. Thus cash flow statement provides the details of funds movements.
- ii). Funds flow statement tallies the funds generated from various sources with various uses to which they are put. Cash flow statement records inflows or outflows of cash, the difference of total inflows and outflows is the net increase or decrease in cash and cash equivalents.
- iii). Funds Flow statement does not contain any opening and closing balance whereas in cash flow statement opening as well as closing balances of cash and cash equivalents are given.

- iv). Funds Flow statement is more relevant in estimating the firm's ability to meet its long-term liabilities, however, cash flow statement is more relevant in estimating the firms short-term phenomena affecting the liquidity of the business.
- v). The Cash Flow statement considers only the actual movement of cash whereas the funds flow statement considers the movement of funds on accrual basis.
- vi). In cash flow statement cash from the operations are calculated after adjusting the increases and decreases in current assets and liabilities. In funds flow statement such changes in current items are adjusted in the changes of working capital.
- vii). Cash flow statement is generally used as a tool of financial analysis which is utilized by the management for short- term financial analysis and cash planning purposes, whereas funds flow statement is useful in planning intermediate and long-term financing.

### Illustrative Explanation

Consider, the following consolidated balance sheet

<b>Balance Sheet of M/s ___ as on 30th June ___</b>			
<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Non-Current Liabilities	89,00,000	Non-Current Assets	80,00,000
Current Liabilities	15,00,000	Current Assets	24,00,000
	1,04,00,000		1,04,00,000

From the above balance sheet,

Working Capital	=	Current Assets - Current Liabilities
	=	24,00,000 - 15,00,000
	=	9,00,000
(Or)	=	Non-Current Liabilities - Non-Current Assets
	=	89,00,000 - 80,00,000
	=	9,00,000

**Decrease in the value of Non-Current Assets**

- Sold Land 5,60,000 and received consideration through a cheque

Dr. Bank a/c a/c	Cr. Land	Current Asset	Asset Non-Current	Increase Decrease
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- After taking into account the affect of the above transaction,

Current Assets (Changed)	=	Current Assets (old) + Increase
	=	24,00,000 + 5,60,000
	=	29,60,000
Non-Current Asset (Changed)	=	Non-Current Asset (old) - Decrease
	=	80,00,000 - 5,60,000
	=	74,40,000
Working Capital (Changed)	=	Current Assets (Changed) - Current Liabilities
	=	29,60,000 - 15,00,000
	=	14,60,000
(Or)	=	Non-Current Liabilities - Non- Current Assets (Changed)
	=	89,00,000 - 74,40,000
	=	14,60,000

- Working capital has changed from 9,00,000 to 14,60,000.
- Settled creditors account 2,90,000 by giving away long-term investments

Dr. Creditors a/c Cr.	Current Liability Non-	Decrease
Investments a/c	Current Asset	Decrease

- After taking into account the affect of the above transaction,

Current Liability (Changed)	=	Current Liabilities (old) - Decrease
	=	15,00,000 - 2,90,000
	=	12,10,000
Non-Current Asset(Changed)	=	Non-Current Assets (old) - Decrease
	=	80,00,000 - 2,90,000
	=	77,10,000
Working Capital (Changed)	=	Current Assets - Current Liabilities (Changed)
	=	24,00,000 - 12,10,000
	=	11,90,000
(Or)	=	Non-Current Liabilities - Non-Current Assets (Changed)
	=	89,00,000 - 77,10,000
	=	11,90,000

Working capital has changed from 9,00,000 to 11,90,000.

### Increase in the value of Non-Current Liabilities

- Partner introduced capital by endorsing bills receivable worth 85,000

Dr. Bills Receivable a/c Cr. Partners Capital a/c	Current Asset Non-Current Liability	Increase Increase
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After taking into account the affect of the above transaction,

Current (Changed)	Assets	=	Current Assets (old) + Increase
		=	24,00,000 + 85,000
		=	24,85,000
Non-Current (Changed)	Liability	=	Non-Current Liability (old) + Increase
		=	89,00,000 + 85,000
		=	89,85,000
Working (Changed)	Capital	=	Current Assets (Changed) - Current Liabilities
		=	24,85,000 - 15,00,000
		=	9,85,000
(Or)		=	Non-Current Liabilities (Changed) - Non-Current Assets
		=	89,85,000 - 80,00,000
		=	9,85,000

- Working capital has changed from 9,00,000 to 9,85,000.
- Issued Debentures to creditors worth 4,00,000

Dr. Creditors a/c Cr.	Current Liability Non-	Decrease
Debentures a/c	Current Liability	Increase

After taking into account the affect of the above transaction,



Non-Current Liabilities (Changed)	=	Non-Current Liabilities (old) + Increase
	=	89,00,000 + 4,00,000
	=	93,00,000
Current Liability (Changed)	=	Current Liability (old) - Decrease
	=	15,00,000 - 4,00,000
	=	11,00,000
Working Capital (Changed)	=	Current Assets - Current Liabilities (Changed)
	=	24,00,000 - 11,00,000
	=	13,00,000
(Or)	=	Non-Current Liabilities (Changed) - Non-Current Assets
	=	93,00,000 - 80,00,000
	=	13,00,000

- Working capital has changed from 9,00,000 to 13,00,000.

### **Outflow/Applications of Funds**

Where, on account of an accounting transaction, there is a decrease in Fund (working capital) we say that there is an outflow/application of fund.

There will be an outflow, when, on account of the transaction, there is

- a decrease in the value of a non-current liability

(Or)

- an increase in the value of a non-current asset

We employ funds either in purchasing assets or towards clearing liabilities.

## Illustrative Explanation

Consider, the following consolidated balance sheet

<b>Balance Sheet of M/s ___ as on 30th June ___</b>			
<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Non-Current Liabilities	89,00,000	Non-Current Assets	80,00,000
Current Liabilities	15,00,000	Current Assets	24,00,000
	1,04,00,000		1,04,00,000

From the above balance sheet,

Working Capital	=	Current Assets - Current Liabilities
	=	24,00,000 - 15,00,000
	=	9,00,000
(Or)	=	Non-Current Liabilities - Non-Current Assets
	=	89,00,000 - 80,00,000
	=	9,00,000

### Increase in the value of Non-Current Assets

Purchase of an Asset valued 4,00,000 for cash

Dr. Fixed Asset a/c Cr. Cash a/c	Non-Current Asset Current Asset	Increase Decrease
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After taking into account the affect of the above transaction,

Current Assets (Changed)	=	Current Assets (old) - Decrease
	=	24,00,000 - 50,000
	=	23,50,000
Non-Current Asset (Changed)	=	Non-Current Asset (old) + Increase
	=	80,00,000 + 4,00,000
	=	84,00,000
Working Capital (Changed)	=	Current Assets (Changed) - Current Liabilities
	=	20,00,000 - 15,00,000
	=	5,00,000
(Or)	=	Non-Current Liabilities - Non-Current Assets (Changed)
	=	89,00,000 - 84,00,000
	=	5,00,000

- Working capital has changed from 9,00,000 to 5,00,000.
- Purchased an Asset and accepted a Bills Payable for the amount due 5,00,000

Dr. Fixed Asset a/c Payable a/c	Cr. Bills Liability	Non-Current Asset Current Liability	Increase Increase
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After taking into account the effect of the above transaction,

Non-Current Assets (Changed)	=	Non-Current Assets (old) + Increase
	=	80,00,000 + 5,00,000
	=	85,00,000
Current Liability (Changed)	=	Current Liability (old) + Increase
	=	15,00,000 + 5,00,000
	=	20,00,000
Working Capital (Changed)	=	Current Assets - Current Liabilities (Changed)
	=	24,00,000 - 20,00,000
	=	4,00,000
(Or)	=	Non-Current Liabilities - Non- Current Assets (Changed)
	=	89,00,000 - 85,00,000
	=	4,00,000

- Working capital has changed from 9,00,000 to 4,00,000.

#### **Decrease in the value of Non-Current Liabilities**

- Issued a cheque for 2,35,000 to clear a Long term loan

Dr. Long Term Loan a/c Cr.	Non-Current Liability	Decrease
Bank a/c	Current Asset	Decrease

- After taking into account the effect of the above transaction,

Current Assets (Changed)	=	Current Assets (old) - Decrease
	=	24,00,000 - 2,35,000
	=	21,65,000
Non-Current Liability (Changed)	=	Non-Current Liability (old) - Decrease
	=	89,00,000 - 2,35,000
	=	86,65,000
Working Capital (Changed)	=	Current Assets (Changed) - Current Liabilities
	=	21,65,000 - 15,00,000
	=	6,65,000
(Or)	=	Non-Current Liabilities (Changed) - Non-Current Assets
	=	86,65,000 - 80,00,000
	=	6,65,000

- Working capital has changed from 9,00,000 to 6,65,000.
- Bills payable accepted for the amount due to a partner on his capital account 1,20,000

Dr. Partners Capital a/c Cr.	Non-Current Liability Current	Decrease
Bills Payable a/c	Liability	Increase

After taking into account the affect of the above transaction,

Current Liabilities (Changed)	=	Current Liabilities (old) + Increase
	=	15,00,000 + 1,20,000
	=	16,20,000
Non-Current Liabilities(Changed)	=	Non-Current Liabilities (old) - Decrease
	=	89,00,000 - 1,20,000
	=	87,80,000
Working Capital (Changed)	=	Current Assets - Current Liabilities (Changed)
	=	24,00,000 - 16,20,000
	=	7,80,000
(Or)	=	Non-Current Liabilities - Non-Current Assets (Changed)
	=	87,80,000 - 80,00,000
	=	7,80,000

- Working capital has changed from 9,00,000 to 7,80,000.
- The Statement of Changes in Working Capital help in analysing funds [HYPERLINK "http://www.futureaccountant.com/funds-flow-cash-flow/study-topics/does-the-statement-of-changes-in-working-capital-help-in-analysing-funds-flow/f257/"](http://www.futureaccountant.com/funds-flow-cash-flow/study-topics/does-the-statement-of-changes-in-working-capital-help-in-analysing-funds-flow/f257/)flow
- The statement of changes in working capital (fund) is prepared by taking the current account balances from the balance sheet. It is prepared for the period for which funds flow is being analyzed which generally is the accounting period.
- It provides us the information relating to change in the values of the various current account balances by comparing the balance as on the first day (opening balance) with the balance on the last day (closing balance) of that period.

The aggregate value of the changes in the current accounts would give us the net change in working capital (fund) over the period.

The list of Current Accounts and Non-Current Accounts are given below:

### Current Accounts

<i>Current Liabilities</i>	<i>Current Assets</i>
Bills Payable Sundry	Cash in Hand Cash at
Creditors	Bank Bills Receivable
Outstanding Expenses	Sundry Debtors
Dividend payable Bank	Short-Term Investments
Overdraft	Marketable Securities
Short-Term Loans	Stock of Raw Materials, Work in Progress & Finished Goods
Provisions against Current Assets	Prepaid Expenses
Provision for Taxation	Accrued Incomes
Proposed Dividend (May be Current or Non-Current Liabilities)	

## Non-Current Accounts

<i>Non-Current Liabilities</i>	<i>Non-Current Assets</i>
Equity Share Capital	Good will Land
Preference Share Capital	Building
Debentures	Plant and Machinery
Long-Term Loans Share	Furniture and Fittings Trade
Premium Share forfeited	Marks
Profit and Loss Account	Patent Right
Capital Reserve	Long-Term Investments
Capital Redemption Reserve	Discount on Issue of Shares and Debentures Preliminary Expenses Other Deferred Expenses

## Fund Flow Statement

It is a statement summarizing the significant financial changes in items of financial position which have occurred between the two different balance sheet dates. This statement is prepared on the basis of "Working Capital" concept of funds. Fund flow Statement helps to measure the different sources of funds and application of funds from transactions involved during the course of business.

The fund flow statement also termed as Statement of Sources and Application of Fund, Where Got and Where Gone out Statement, Inflow of Fund or Outflow of Fund Statement.

### Importance or Uses of Fund Flow Statement

Fund Flow Statements are prepared for financial analysis in order to meet the needs of people serving the following purposes:



- It highlights the different sources and applications or uses of funds between the two accounting period.
- It brings into light about financial strength and weakness of a concern.
- It acts as a effective tool to measure the causes of changes in working capital.
- It helps the management to take corrective actions while deviations between two balance sheet figure.
- It is an instrument used by the investors for effective decisions at the time of their investment proposals.
- It also presents detailed information about profitability, operational efficiency and financial affairs of a concern.
- It serves as a guide to the management to formulate its dividend policy, retention policy and investment policy etc.
- It helps to evaluate the financial consequences of business transactions involved in operational finance and investment.

#### Difference between Fund Flow Statement and Income Statement

<i>Fund Flow Statement</i>	<i>Income Statement</i>
<ul style="list-style-type: none"> <li>• It explains the different sources and uses of funds during the particular period.</li> <li>• No standard format is required for preparation of fund flow statement.</li> <li>• Fund Flow Statement considers both capital and</li> </ul>	<ul style="list-style-type: none"> <li>• It reveals the net profit or net loss in a particular period of time.</li> <li>(2) As per the double entry book keeping prescribed format is used for preparation of income statement</li> <li>(3) It considers only revenue nature of income and expenditure.</li> </ul>
<p>revenue nature of income and expenditure.</p> <ul style="list-style-type: none"> <li>• It disclosed the exact flow of funds from operations. Thus, it is complementary to income statement.</li> </ul>	<p>(4) It is prepared not for fund flow statement.</p>

## Difference between Fund Flow Statement and Balance Sheet

<i>Fund Flow Statement</i>	<i>Balance Sheet</i>
<p>It presents significant financial Changes between two balance sheets.</p> <p>It is prepared on the basis of Trading, Profit &amp; Loss account and Balance sheet.</p> <p>It provides additional information to the management to discharge its functions effectively.</p> <p>Fund from operation, schedule of changes in working capital has to be required for preparation of fund flow statement.</p>	<p>It is a statement that incorporates assets and liabilities prepared at the end of accounting period.</p> <p>It is prepared on the basis of Trial Balance.</p> <p>It explains the financial position of a concern as a whole in a particular period.</p> <p>It is prepared after the Trading, Profit and Loss Account is completed.</p>

**CHAPTER 4**  
**RESEARCH STUDIES**

### **OBJECTIVE OF STUDY**

1. To study the Liquidity Position of Steel Authority of India Ltd.
2. To analyze the soundness of the company.
3. To study the Solvency Ratios of Steel Authority of India Ltd.
4. To find the Financial Position of Steel Authority of India Ltd.
5. To find out the growth ratio of a company.
6. To know the application of funds by Steel Authority of India Ltd.

### **HYPOTHESIS**

**H<sub>0</sub>:** The hypothesis taken under consideration for the study is that the fund management of Steel Authority of India Ltd. is effective.

**H<sub>1</sub>:** The hypothesis taken under consideration for the study is that the fund management of Steel Authority of India Ltd. is not effective.

**CHAPTER 5**  
**RESEARCH METHODOLOGY**

## **RESEARCH METHODOLOGY**

Research can be defined as a scientific and systematic and systematic search for pertinent information on a specific topic. Research is concerned with defining and redefining problems, formulating hypothesis, collecting and evaluating data and testing the solutions to determine whether they fit the formulated hypothesis.

According to Redman & Moray, research is defined as a systematized effort to gain new knowledge.

## **MEANING OF RESEARCH METHODOLOGY**

The methodology of research provides base and direction to the researcher. It is a way to solve the research problem. It may be understood as a science of studying how research is done scientifically.

The Research Methodology is to describe the research procedure. This includes the overall Research Design and the Data Collection methods. This selection is important because, it is hard to discuss methodology without using technical terms.

## **SOURCES OF DATA**

This research study makes use of two sources of data namely Primary data and Secondary data.

### **A.PRIMARY DATA**

Primary data refers to the data that does not exist already in records and publications. Data collection was carried out using Personal interview method guided by Structured Questionnaire.

## **B.SECONDARY DATA**

Secondary data is such numerical information which have already been collected by some agency for a specific purpose and subsequently compiled from that source for application in a different collection.

All the work is done in the branch of SAIL Limited situated at different place in country.

The secondary data is taken from the magazines, newspaper, books, internet sources which are the major contributors.

### **Sources of Secondary Data**

- a) Newspaper.
- b) Magazines
- c) Website

#### **Newspaper:-**

The regularly printed document consisting of large sheets of paper that are folded together, or a website, containing news reports, articles, photographs, and advertisements it's called newspaper an organization that publishes a newspaper.

#### **Magazines:-**

The magazine printed on shiny, high-quality paper, containing a lot of color photographs and advertisements, and usually about famous people, fashion, and beauty.

#### **Website:-**

A set of pages of information on the internet about a particular subject, published by a single person or organization.

**CHAPTER 6**  
**DATA ANALYSIS**  
**AND**  
**INTERPRETATION**



## FUND FLOW

The consideration of the level investment in current assets should avoid two danger points excessive and inadequate investment in current assets. Investment in current assets should be just adequate, not more or less, to the need of the business firms. Excessive investment in current assets should be avoided because it impairs the firm's profitability, as idle investment earns nothing. On the other hand, inadequate amount of Fund Flow can be threatened solvency of the firms because of its inability to meet its current obligation. It should be realized that the Fund Flow need of the firms may be fluctuating with changing business activity. This may cause excess or shortage of Fund Flow frequently.

### Balance sheet as on 31<sup>st</sup> March, 2023

		Rs. Crores	
		As at	
	Equity and liabilities		31.03.2013
1	Shareholder funds		
	a) share capital	97141	97141
	b) reserves and surplus	60,176.58	54,238.27
2	Hybrid perpetual securities	61,147.99	55,209.68
3	Non-current liabilities	2,275.00	2,275.00
	a) Long-term borrowings	23,808.09	23,565.57
	b) Deferred tax liabilities (net)	2,038.98	1,843.74
	c) other long-term liabilities	983.52	380.87
	d) Long-term provisions	1,905.05	2,113.42
		28,735.64	27,903.60
4	Current liabilities		
	a) short-terms borrowing	43.69	70.94
	b) trade payables	8,263.61	6,363.66

c) other current liabilities	8,671.67	8,509.79
d) short-term provision	1,902.81	1,544.26
		18,881.78
Assets	1,11,040.41	1,01,876.93
Non-current assets		
a) Fixed assets		
i) Tangible assets	24,064.43	24,650.54
ii) Intangible assets	201.32	224.51
iii) capital work in progress	18,509.40	8,722.29
	42,775.15	33,597.34
b) Non-current investment	52,318.56	49,984.80
c) long-term loans and advances	4,080.07	6,574.15
d) other non-current assets	302.03	215.79

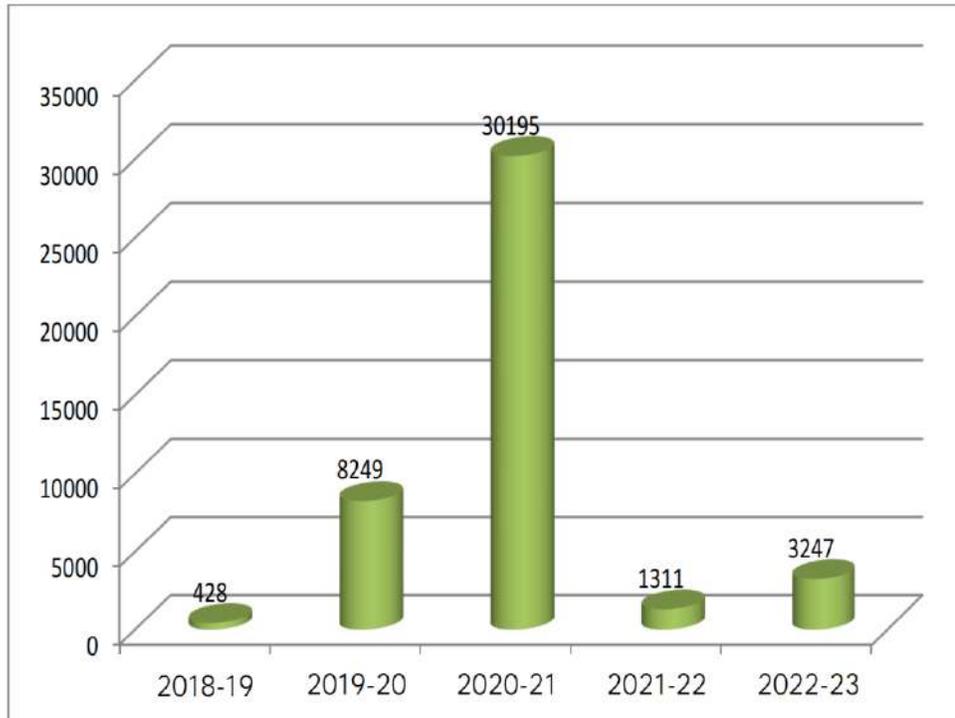
### FUND FLOW TREND ANALYSIS

In Fund Flow analysis the direction at changes over a period of time is of crucial importance. Fund Flow is one of the important fields of management. It is therefore very essential for an analyst to make a study about the trend and direction of Fund Flow over a period of time. Such analysis enables as to study the upward and downward trend in current assets and current liabilities and its effect on the Fund Flow position.

Fund Flow size

(Rs. In crores)

Year	2018-19	2019-20	2020-21	2021-22	2022-23
Net Fund Flow(A-B)	428	8249	30,195	1311	3247
<b>Fund Flow indices</b>	100	1927	7055	306	759



### Fund Flow Indices

#### OBSERVATIONS

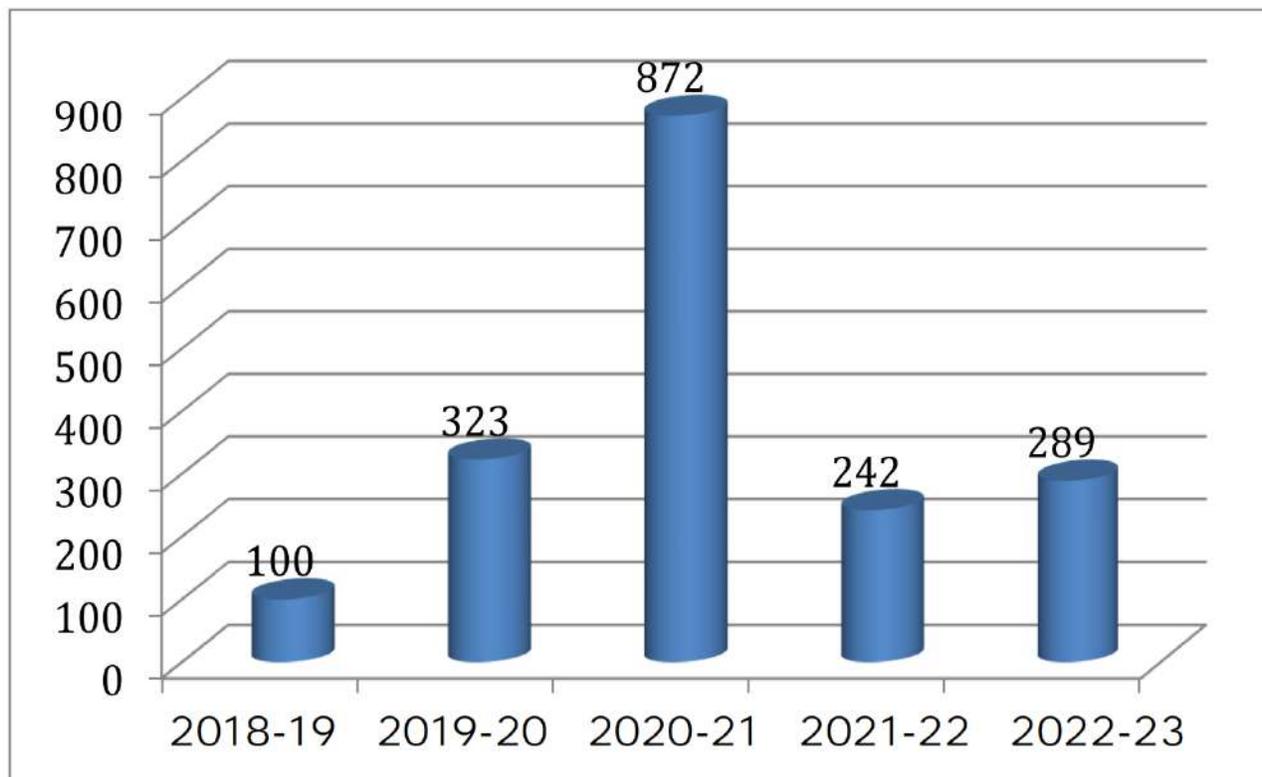
It was observed that in the year 2019-20 current assets increased by around 223% and current liabilities increased only by 43% which affected as Fund Flow increased by 1827%. In the year 2020-21 net Fund Flow increased to Rs 30,195 crores from Rs. 8249 crores, the increase in Fund Flow is close to 266%. While current assets increased by 170% and current liabilities by 24%. It shows that management is using long term funds to meet short term requirements. And it has fallen to Rs.1311 crores in the year 2021-22 because current assets decreased by 72%, current liabilities grown up by 32%. This two together pushed down the net working capital. In the year 2022-23 the Fund Flow of the company again increased by 147% because of 19% increase in current assets and only 0.50% increase in current liabilities.

## CURRENT ASSETS

Total assets are basically classified in two parts as fixed assets and current assets. Fixed assets are in the nature of long term or life time for the organization. Current assets convert in the cash in the period of one year. It means that current assets are liquid assets or assets which can convert in to cash within a year.

(Rs. In crores)

PARTICULARS	2018-19	2019-20	2020-21	2021-22	2022-23
<b>A) CURRENT ASSETS</b>					
Inventories	217	2333	2607	3480	3078
Sundry Debtors	539	632	543	636	435
Cash & bank balance	288	7681	465	1591	3234
Loan & advances	1235	3056	33,349	4561	5500
<b>Total of current assets</b>	4237	13,702	36,964	10,268	12,247
<b>CURRENT assets indices</b>	100	323	872	242	289

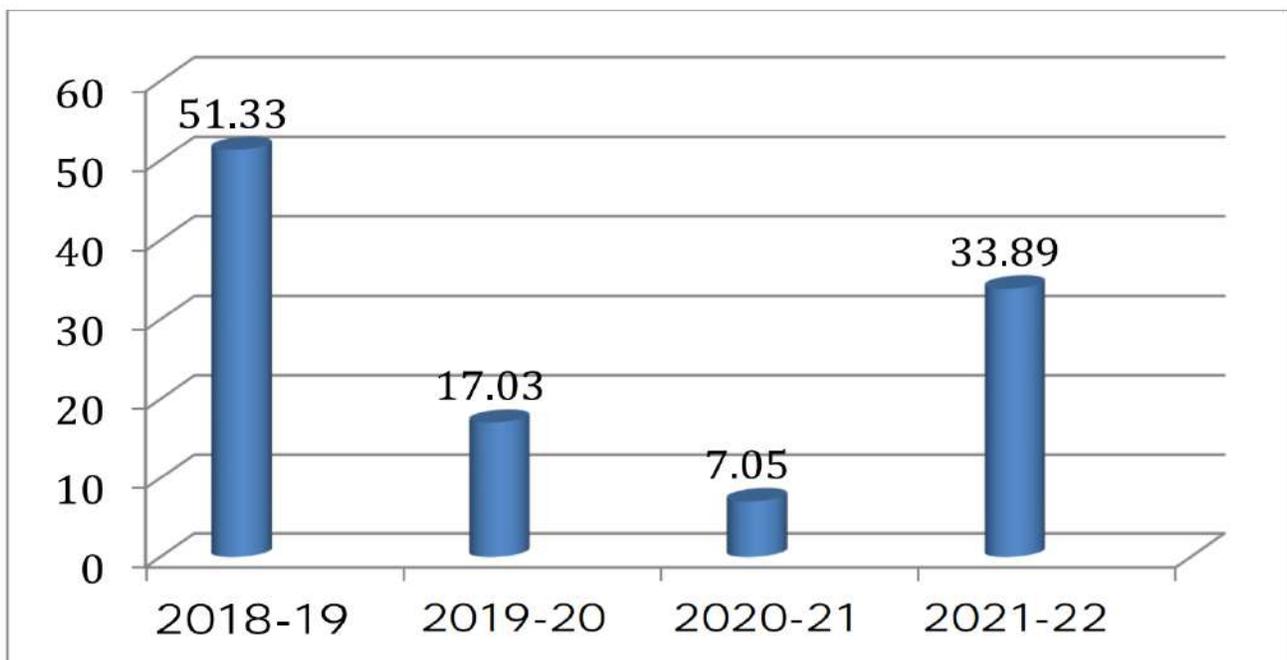


## CURRENT ASSETS INDICES

### COMPOSITION OF CURRENT ASSETS

Analysis of current assets components enable one to examine which components the Fund Flow has locked. A large tie up of funds in inventories affects the profitability of the business or the major portion of current assets is made up of cash alone, the profitability will be decreased because cash is non-earning assets.

PARTICULARS	2018-19	2019-20	2020-21	2021-22	2022-23
<b>A) CURRENT ASSETS</b>					
Inventories	51.33	17.03	7.05	33.89	25.13
Sundry Debtors	12.72	4.61	1.47	6.19	3.55
Cash & bank balance	6.80	56.06	1.26	15.49	26.41
Loan & advances	29.15	22.30	90.22	44.42	44.91
<b>Total of current assets</b>	100	100	100	100	100



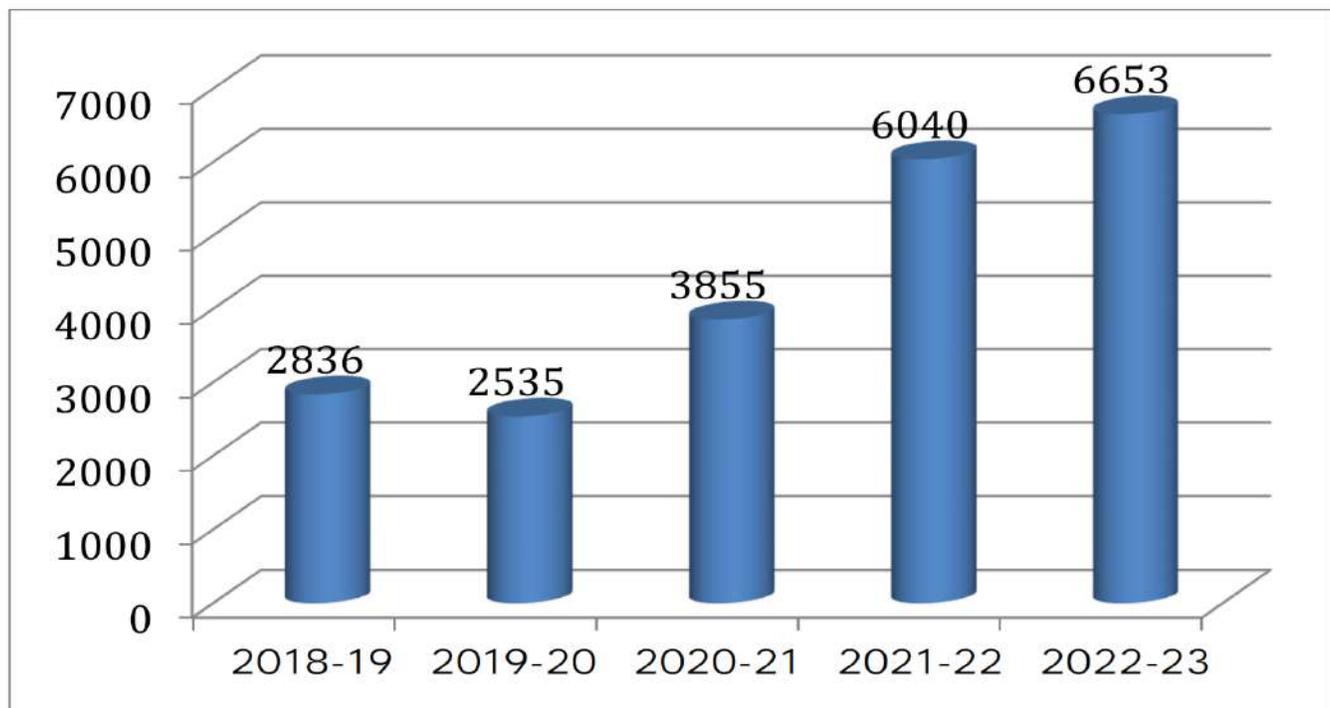
## Current assets components

### in % CURRENT LIABILITIES

Current liabilities mean the liabilities which have to be paid in the current year. It includes sundry creditor's means supplier whose payment is due but not paid yet, thus creditors called as current liabilities. Current liabilities also include short term loan and provision as tax provision. Current liabilities also include bank overdraft, For some current assets like bank overdrafts and short-term loans, the company has to pay interest thus the management of current liabilities has importance.

PARTICULARS	2018-19	2019-20	2020-21	2021-22	2022-23
<b>B) CURRENT LIABILITIES</b>					
Current liabilities	2836	3523	3855	6040	6653
<b>Provisions</b>	973	1930	2914	2917	2347
Total of CL	3809	5453	6769	8957	9000
Indices of CL	100	143	178	235	236

### Indices of current liabilities



## CHANGES IN WORKING CAPITAL

There are so many reasons to changes in Fund Flow as follow 1. Changes in sales and operating expenses

The changes in sales and operating expenses may be due to three reasons:

> There may be long run trend of change e.g. The price of raw material say oil may constantly raise necessity the holding of large inventory.

- Cyclical changes in economy dealing to ups and downs in business activity will influence the level of Fund Flow both permanent and temporary,
- Changes in seasonally in sales activities.

### 2. Policy changes

The second major case of changes in the level of Fund Flow is because of policy changes initiated by management. The term current assets policy may be defined as the relationship between current assets and sales volume.

### 3. Technology changes

Changes in technology will require a change in the operation process of a company which will further require more investment to be done in production process, so the level of Fund Flow in an organization will also increase. Fund Flow statement is prepared on the base of balance sheet of last two year.

**Statement of changes in Fund Flow**

(Rs. In crores)

	2021-22	2022-23	Change in Fund Flow	
			Increase	Decrease
<b>A) CURRENT ASSETS</b>				
Inventories	2175	2333	158	-
Sundry Debtors	539	632	93	-
Cash & Bank Balance	288	7681	7393	-
Loan & Advances	1235	3056	1821	-
<b>TOTAT OF GROSS WORKING CAPITAL</b>	4237	13,702		
<b>B) CURRENT LIABILITIES</b>				
Current Liabilities	2836	3523	-	
Provisions	973	1930	-	687
<b>TOTAL OF B</b>	3809	5453		957
<b>Fund Flow of (A-B)</b>	428	8249		
<b>NET INCREASE IN WORKING CAPITAL</b>	7821	-	-	7821
<b>TOTAL</b>	8249	8249	9465	9465

**OBSERVATION**

In FY-22 Fund Flow increased by 266% as compared to FY-23 because

- Sales of the company were increased by 12% approximately.
- Current assets were increased by 170%.
- Current liabilities were only increased by 24%.



## Statement of changes in working capital

	2021-22	2022-23	Change in Fund Flow	
			Increase	Decrease
<b>A) CURRENT ASSETS</b>				
Inventories	2333	2605	272	-
Sundry Debtors	632	543	-	89
Cash & Bank Balance	7681	465	-	7216
Loan & Advances	3056	33,349	30,293	-
<b>TOTAL OF GROSS WORKING CAPITAL</b>	13,702	36962		
<b>B) CURRENT LIABILITIES</b>				
Current Liabilities	3523	3855	-	332
Provisions	1930	2914	-	984
<b>TOTAL OF B</b>	5453	6769		
<b>Fund Flow of (A-B)</b>	8249	30,193		
<b>NET INCREASE IN WORKING CAPITAL</b>	21,944			21,944
<b>TOTAL</b>	30,193	30,193	30,565	30,565

## Statement of changes in working capital

	2021-22	2022-23	Change in Fund Flow	
			Increase	Decrease
<b>A) CURRENT ASSETS</b>				
Inventories	2605	3480	875	-
Sundry Debtors	543	636	93	-
Cash & Bank Balance	465	1591	1126	-
Loan & Advances	33,349	4561	-	28,788
<b>TOTAL OF GROSS WORKING CAPITAL</b>	<b>36,962</b>	<b>10,268</b>		
<b>B) CURRENT LIABILITIES</b>				
Current Liabilities	3855	6040		2185
Provisions	2914	2917	-	3
<b>TOTAL OF B</b>	<b>676</b>	8957	-	
<b>Fund Flow of (A-B)</b>	<b>30,193</b>	1311		
<b>NET INCREASE IN WORKING CAPITAL</b>		28,882	28,882	-
<b>TOTAL</b>	<b>30493</b>	30,193	30,976	30,976

### OBSERVATION

Working capital of TATA STEEL in FY-09 has decreased by 96% approximately because Current assets were of Rs 10,268 corers in FY-09 as compared to Rs 36,962 in FY-08.

**CHAPTER – 7**  
**CONCLUSION AND LIMITATION**

## **CONCLUSION**

After studying the relevant capital structure theories available for my research for the long-term finance mix of a company, Projectee have come to the conclusion that the most appropriate to describe the long-term financial behaviour of SAIL, because its explanation towards the behaviour of a company in accordance to its finance is also being applied by SAIL to overcome their financial crises situation.

It was observed that in the year 2020-21 current assets increased by around 223% and current liabilities increased only by 43% which affect as Fund Flow increased by 1827%.

In the year 2021-22 net Fund Flow increased to Rs 30,195 corers from Rs. 8249 corers, the increase in Fund Flow is close to 266%. While current assets increased by 170% and current liabilities by 24%.

It shows that management is using long term funds to short term requirements. And it has fallen to Rs.1311 corers in the year 2021-22 because current assets decreased by 72%, current liabilities grown up by 32%.

This two together pushed down the net working capital. In the year 2022-23 the Fund Flow of the company again increased by 147% because of 19% increase in current assets and only 0.50% increase in current liabilities.

The hypothesis taken under consideration for the study is “that the fund management of Tata motor is effective” is proven to be true and hence accepted.

## **LIMITAIONS**

Fund Flow Statement has suffered with the following limitations :

- It is prepared on the basis of information related to historical in nature. It ignores to project future operations.
- This statement does not focus on transactions involved in non- fund items.
- It also ignores when transactions involved between current accounts or non-current accounts.

It does not provide any additional information to the management because financial statements are simply rearranged and presented.

**CHAPTER - 8**  
**SUGGESTION**

## **SUGGESTION**

In my conclusion research will also add the measures to be taken by SAIL to improve its long-term financial managements quoted by directive given by Ratan Tata to his companies:

- The Company should also take some major steps.
- Improve operational efficiency
- Aggressively implement restructuring of internal cost frame work
- Drastically reduce operating expenditure
- Defer non essential capital expenditure and capacity expansion
- The conservation of cash to the maximum extent possible
- Draw down all loans/ lines of credits from banks and institutions
- To the maximum extent possible.
- Expeditious finalize pending loan and funding agreements, even if they involve accepting higher interest rates.
- The hypothesis taken under consideration for the study is that the fund management of SAIL is effective.

# **CHAPTER - 9**

# **BIBLIOGRAPHY**



## **BIBLIOGRAPHY**

### **Books:-**

- Management Accounting by Bhagvati & Pilli.
- Financial Management by Khan & Jain
- Management Accounting by Sharma & Shashi K. Gupta
- Finance Management by L.M Pandey
- Management Accounting by S.P Guptha
- Fundamentals of Financial Management by S.N Maheshwari

### **Website:-**

- [www.steelauthorityofindia.com](http://www.steelauthorityofindia.com)
- [www.sail.com](http://www.sail.com)

**CHAPTER - 10**  
**ANNEXURE**

<b>BALANCE SHEET OF STEEL AUTHORITY OF INDIA (in Rs. Cr.)</b>	<b>MAR 23</b>	<b>MAR 22</b>	<b>MAR 21</b>	<b>MAR 20</b>	<b>MAR 19</b>
	12 mths	12 mths	12 mths	12 mths	12 mths
<b>EQUITIES AND LIABILITIES</b>					
<b>SHAREHOLDER'S FUNDS</b>					
Equity Share Capital	4,130.53	4,130.53	4,130.53	4,130.53	4,130.53
<b>TOTAL SHARE CAPITAL</b>	<b>4,130.53</b>	<b>4,130.53</b>	<b>4,130.53</b>	<b>4,130.53</b>	<b>4,130.53</b>
Reserves and Surplus	48,008.65	47,886.61	39,364.35	35,646.85	34,021.04
<b>TOTAL RESERVES AND SURPLUS</b>	<b>48,008.65</b>	<b>47,886.61</b>	<b>39,364.35</b>	<b>35,646.85</b>	<b>34,021.04</b>
<b>TOTAL SHAREHOLDERS FUNDS</b>	<b>52,139.18</b>	<b>52,017.14</b>	<b>43,494.88</b>	<b>39,777.38</b>	<b>38,151.57</b>
<b>NON-CURRENT LIABILITIES</b>					
Long Term Borrowings	6,112.58	8,135.81	19,725.96	34,560.03	30,802.66
Deferred Tax Liabilities [Net]	5,747.17	5,259.93	0.00	0.00	0.00
Other Long Term Liabilities	8,806.98	7,679.51	6,196.93	1,699.76	1,590.63
Long Term Provisions	5,603.61	5,331.02	1,253.16	4,108.80	4,295.41
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>26,270.34</b>	<b>26,406.27</b>	<b>27,176.05</b>	<b>40,368.59</b>	<b>36,688.70</b>
<b>CURRENT LIABILITIES</b>					
Short Term Borrowings	19,549.20	5,249.84	15,850.24	16,640.78	10,631.22
Trade Payables	14,338.87	16,918.01	7,014.41	6,320.38	7,257.99
Other Current Liabilities	14,038.12	15,979.41	21,584.24	19,635.75	21,399.48
Short Term Provisions	1,379.28	1,170.47	2,039.84	2,354.93	2,308.77
<b>TOTAL CURRENT LIABILITIES</b>	<b>49,305.47</b>	<b>39,317.73</b>	<b>46,488.73</b>	<b>44,951.84</b>	<b>41,597.46</b>

<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>127,714.99</b>	<b>117,741.14</b>	<b>117,159.66</b>	<b>125,097.81</b>	<b>116,437.73</b>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Tangible Assets	72,001.70	72,196.76	66,169.39	67,574.50	59,907.26
Intangible Assets	1,521.02	1,459.35	1,429.28	1,443.42	1,450.86
Capital Work-In-Progress	4,891.36	4,016.72	8,878.48	8,751.56	16,013.50
Other Assets	1.03	1.06	1.09	1.12	1.09
<b>FIXED ASSETS</b>	<b>78,415.11</b>	<b>77,673.89</b>	<b>76,478.24</b>	<b>77,770.60</b>	<b>77,372.71</b>
Non-Current Investments	1,672.67	1,624.49	1,595.01	1,584.98	1,584.75
Deferred Tax Assets [Net]	0.00	0.00	0.00	2,078.99	2,898.38
Long Term Loans And Advances	655.19	559.54	756.23	664.59	563.98
Other Non-Current Assets	4,573.46	4,650.32	2,117.80	2,080.20	1,768.64
<b>TOTAL NON-CURRENT ASSETS</b>	<b>85,316.43</b>	<b>84,508.24</b>	<b>80,947.28</b>	<b>84,179.36</b>	<b>84,188.46</b>
<b>CURRENT ASSETS</b>					
Current Investments	0.00	0.00	0.00	0.00	0.00
Inventories	32,351.56	24,128.47	19,508.30	23,747.20	19,441.80
Trade Receivables	5,362.48	4,736.83	7,124.00	8,812.39	4,495.05
Cash And Cash Equivalentents	397.95	647.83	680.52	363.25	219.42
Short Term Loans And Advances	35.29	43.10	50.47	49.67	53.24
Other Current Assets	4,251.28	3,676.67	8,849.09	7,945.94	8,039.76

<b>TOTAL CURRENT ASSETS</b>	<b>42,398.56</b>	<b>33,232.90</b>	<b>36,212.38</b>	<b>40,918.45</b>	<b>32,249.27</b>
<b>TOTAL ASSETS</b>	<b>127,714.99</b>	<b>117,741.14</b>	<b>117,159.66</b>	<b>125,097.81</b>	<b>116,437.73</b>
<b>OTHER ADDITIONAL INFORMATION</b>					
<b>CONTINGENT LIABILITIES, COMMITMENTS</b>					
Contingent Liabilities	52,358.94	49,894.50	47,462.92	50,723.81	37,336.25
<b>CIF VALUE OF IMPORTS</b>					
Raw Materials	51,936.90	30,234.34	16,533.80	22,734.24	25,857.51
Stores, Spares And Loose Tools	0.00	0.00	0.00	0.00	0.00
Trade/Other Goods	0.00	0.00	0.00	0.00	0.00
Capital Goods	0.00	0.00	0.00	0.00	0.00
<b>EXPENDITURE IN FOREIGN EXCHANGE</b>					
Expenditure In Foreign Currency	17.86	31.48	137.05	139.67	259.23
<b>REMITTANCES IN FOREIGN CURRENCIES FOR DIVIDENDS</b>					
Dividend Remittance In Foreign Currency	--	--	--	--	--
<b>EARNINGS IN FOREIGN EXCHANGE</b>					
FOB Value Of Goods	--	--	--	--	--
Other Earnings	2,638.89	6,988.42	6,109.57	3,619.68	2,872.64
<b>BONUS DETAILS</b>					
Bonus Equity Share Capital	--	--	--	--	--
<b>NON-CURRENT INVESTMENTS</b>					

Non-Current Investments Quoted Market Value	--	--	--	5.06	22.34
Non-Current Investments Unquoted Book Value	1,672.67	1,624.49	1,622.54	1,579.92	1,583.14
<b>CURRENT INVESTMENTS</b>					
Current Investments Quoted Market Value	--	--	--	--	--
Current Investments Unquoted Book Value	--	--	--	--	--

<b>PROFIT &amp; LOSS ACCOUNT OF STEEL AUTHORITY OF INDIA (in Rs. Cr.)</b>	<b>MAR 23</b>	<b>MAR 22</b>	<b>MAR 21</b>	<b>MAR 20</b>	<b>MAR 19</b>
	12 mths	12 mths	12 mths	12 mths	12 mths
<b>INCOME</b>					
<b>REVENUE FROM OPERATIONS [GROSS]</b>	<b>103,787.76</b>	<b>102,829.51</b>	<b>68,472.91</b>	<b>61,047.77</b>	<b>66,295.83</b>
Less: Excise/Service Tax/Other Levies	0.00	0.00	0.00	0.00	0.00
<b>REVENUE FROM OPERATIONS [NET]</b>	<b>103,787.76</b>	<b>102,829.51</b>	<b>68,472.91</b>	<b>61,047.77</b>	<b>66,295.83</b>
<b>TOTAL OPERATING REVENUES</b>	<b>104,447.36</b>	<b>103,473.32</b>	<b>69,110.02</b>	<b>61,660.55</b>	<b>66,967.31</b>
Other Income	1,354.84	1,042.03	1,011.69	985.22	532.82
<b>TOTAL REVENUE</b>	<b>105,802.20</b>	<b>104,515.35</b>	<b>70,121.71</b>	<b>62,645.77</b>	<b>67,500.13</b>
<b>EXPENSES</b>					
Cost Of Materials Consumed	62,091.10	42,776.46	23,136.17	29,212.87	32,290.91
Purchase Of Stock-In Trade	0.00	0.00	0.00	0.00	0.00
Operating And Direct Expenses	0.00	0.00	0.00	0.00	0.00

Changes In Inventories Of FG,WIP And Stock-In Trade	-5,160.14	-284.99	4,268.58	-5,555.82	-2,716.62
Employee Benefit Expenses	12,053.62	12,846.24	10,445.94	8,781.32	8,830.34
Finance Costs	2,037.47	1,697.88	2,817.14	3,486.76	3,154.92
Depreciation And Amortisation Expenses	4,962.52	4,274.17	4,102.00	3,755.05	3,384.72
Other Expenses	27,438.71	26,813.46	18,531.28	19,023.17	18,828.57
<b>TOTAL EXPENSES</b>	<b>103,423.28</b>	<b>88,123.22</b>	<b>63,301.11</b>	<b>58,703.35</b>	<b>63,772.84</b>
<b>PROFIT/LOSS BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS AND TAX</b>	<b>2,378.92</b>	<b>16,392.13</b>	<b>6,820.60</b>	<b>3,942.42</b>	<b>3,727.29</b>
Exceptional Items	257.99	-353.41	58.43	-771.76	-389.40
<b>PROFIT/LOSS BEFORE TAX</b>	<b>2,636.91</b>	<b>16,038.72</b>	<b>6,879.03</b>	<b>3,170.66</b>	<b>3,337.89</b>
<b>TAX EXPENSES-CONTINUED OPERATIONS</b>					
Current Tax	118.37	0.00	12.05	224.14	0.00
Less: MAT Credit Entitlement	0.00	0.00	0.00	214.75	0.00
Deferred Tax	615.47	4,023.68	3,016.96	1,073.73	1,154.23
Tax For Earlier Years	0.00	0.00	0.00	66.00	4.84
<b>TOTAL TAX EXPENSES</b>	<b>733.84</b>	<b>4,023.68</b>	<b>3,029.01</b>	<b>1,149.12</b>	<b>1,159.07</b>
<b>PROFIT/LOSS AFTER TAX AND BEFORE EXTRAORDINARY ITEMS</b>	<b>1,903.07</b>	<b>12,015.04</b>	<b>3,850.02</b>	<b>2,021.54</b>	<b>2,178.82</b>
<b>PROFIT/LOSS FROM CONTINUING OPERATIONS</b>	<b>1,903.07</b>	<b>12,015.04</b>	<b>3,850.02</b>	<b>2,021.54</b>	<b>2,178.82</b>
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>1,903.07</b>	<b>12,015.04</b>	<b>3,850.02</b>	<b>2,021.54</b>	<b>2,178.82</b>
<b>OTHER ADDITIONAL INFORMATION</b>					

<b>EARNINGS PER SHARE</b>					
Basic EPS (Rs.)	4.61	29.09	9.32	4.89	5.27
Diluted EPS (Rs.)	4.61	29.09	9.32	4.89	5.27
<b>VALUE OF IMPORTED AND INDIGENIOUS RAW MATERIALS STORES, SPARES AND LOOSE TOOLS</b>					
Imported Raw Materials	0.00	0.00	0.00	0.00	0.00
Indigenous Raw Materials	0.00	0.00	0.00	0.00	0.00
<b>STORES, SPARES AND LOOSE TOOLS</b>					
Imported Stores And Spares	0.00	0.00	0.00	0.00	0.00
Indigenous Stores And Spares	0.00	0.00	0.00	0.00	0.00
<b>DIVIDEND AND DIVIDEND PERCENTAGE</b>					
Equity Share Dividend	1,342.42	3,428.33	0.00	0.00	0.00
Tax On Dividend	0.00	0.00	0.00	0.00	0.00
Equity Dividend Rate (%)	15.00	88.00	28.00	0.00	5.00