

ASSIGNMENT 5 – SOUNAK DAS

TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

1. COMMON SIZE NUMBERS (TGV SRAAC LTD & PUNJAB ALKALIES & CHEMICALS LTD.)

Common sized Balance sheet	PACL	TGV SRAAC LTD		PACL	TGV SRAAC LTD	
ASSETS SIDE	FY19	FY19	FY18	FY19	FY19	FY18
Cash & Bank Balances	7,028.01	3,833.49	5,299.49	31%	3%	5%
Accounts Receivable	586.12	9,900.87	10,619.77	3%	9%	10%
Loans and Advances	20.97	-	-	0%	0%	0%
Inventories	818.02	8,990.48	6,503.74	4%	8%	6%
Other Assets	1,662.02	11,454.97	10,859.73	7%	10%	10%
Current Assets	10,115.14	34,179.81	33,282.73	45%	31%	31%
Non Current Assets	12,521.54	75,363.98	75,768.56	55%	69%	69%
Total Assets	22,636.68	1,09,543.79	1,09,051.29	100%	100%	100%
LIABILITIES SIDE	FY19	FY19	FY18	FY19	FY19	FY18
Accounts Payable	3,245.07	19,918.00	29,565.23	14%	18%	27%
Other Current Liabilities and Provisions	8,992.37	14,059.19	15,572.28	40%	13%	14%
Long-term Liabilities	3,856.09	27,661.87	25,678.56	17%	25%	24%
Net Worth	6,543.15	47,904.73	38,235.22	29%	44%	35%
Total Liabilities	22,636.68	1,09,543.79	1,09,051.29	100%	100%	100%
Common sized Profit & Loss statement	FY19	FY19	FY18	FY19	FY19	FY18
Total Sales	37,573.36	1,20,457.46	1,07,208.46	100%	100%	100%
Other Income	479.22	515.28	690.35	1%	0%	1%
Cost of Goods Sold	29,736.93	97,183.18	87,718.16	79%	81%	82%
Gross Profit	8,315.65	23,789.56	20,180.65	22%	20%	19%
Exceptional Items		1,161.16		0%	1%	0%
PBDIT	8,315.65	22,628.40	20,180.65	22%	19%	19%
Interest	811.34	6,299.35	5,175.94	2%	5%	5%
Depreciation and Amortization	1,628.82	5,813.59	7,655.54	4%	5%	7%
Tax	289.46	2,688.79	2,318.60	1%	2%	2%
Profit After Tax	5,586.03	7,826.67	5,030.57	15%	6%	5%

It is observed that Accounts Receivable of TGV SRAAC LTD has decreased to 9% in FY 2019 as compared with the previous year, whereas the Accounts Receivable of PACL Ltd is just 3% as on FY 2019. Also, the closing inventory of TGV SRAAC LTD as on FY 2019 is 8% which has increased by 2% from the previous year, whereas the closing inventory of rival company, PACL Ltd is only 4% as on FY 2019. It can be interpreted from the facts that, TGV SRAAC LTD has increased the production of goods resulting in increase of inventory which has led to rise in revenue for FY 2019. Because of this significant rise in revenue, we can interpret that collection from debtors has increased to 9% in FY 2019. Whereas, we

can analyze from the figures of PACL Ltd that the production was less in FY 2019 resulting in lower percentage of closing inventory as compared with TGV SRAAC LTD.

Due to higher production and moving inventory, the cost of goods sold has increased in FY 2019 of TGV SRAAC LTD to 81% which has resulted in increase of account payables to 18% as compared with our rival company. However, accounts payable has significantly decreased by 9% as compared with FY 2018 of TGV SRAAC LTD , this might be due to the company might have been paying the suppliers on time and might also be avoiding the cost of interest.

TGV SRAAC LTD has earned lesser profits as compared with PACL Ltd because TGV SRAAC LTD has an increase in the expenditures viz; payment of taxes, interest costs, depreciation and amortization and exceptional items.

2. INDEX BASED NUMBERS

Indexed Balance Sheet	TGV SRAAC LTD			TGV SRAAC LTD		
	FY19	FY18	FY17	FY19	FY18	FY17
ASSETS SIDE						
Cash & Bank Balances	3,833.49	5,299.49	6,009.14	64%	88%	100%
Accounts Receivable	9,900.87	10,619.77	7,536.08	131%	141%	100%
Loans and Advances	-	-	-	0%	0%	0%
Inventories	8,990.48	6,503.74	6,576.08	137%	99%	100%
Other Assets	11,454.97	10,859.73	11,256.37	102%	96%	100%
Current Assets	34,179.81	33,282.73	31,377.67	109%	106%	100%
Non Current Assets	75,363.98	75,768.56	76,434.00	99%	99%	100%
Total Assets	1,09,543.79	1,09,051.29	1,07,811.67	102%	101%	100%
LIABILITIES SIDE						
Accounts Payable	19,918.00	29,565.23	33,957.61	59%	87%	100%
Other Current Liabilities and Provisions	14,059.19	15,572.28	15,450.20	91%	101%	100%
Long-term Liabilities	27,661.87	25,678.56	23,729.16	117%	108%	100%
Net Worth	47,904.73	38,235.22	34,674.70	138%	110%	100%
Total Liabilities	1,09,543.79	1,09,051.29	1,07,811.67	102%	101%	100%
Indexed Profit & Loss statement						
Total Sales	1,20,457.46	1,07,208.46	1,00,496.66	120%	107%	100%
Other Income	515.28	690.35	864.95	60%	80%	100%
Cost of Goods Sold	97,183.18	87,718.16	87,462.41	111%	100%	100%
Gross Profit	23,789.56	20,180.65	13,899.20	171%	145%	100%
Exceptional Items	1,161.16	-	-	1161%	0%	0%
PBDIT	22,628.40	20,180.65	13,899.20	163%	145%	100%
Interest	6,299.35	5,175.94	5,273.88	119%	98%	100%
Depreciation and Amortization	5,813.59	7,655.54	4,659.91	125%	164%	100%
Tax	2,688.79	2,318.60	1,772.48	152%	131%	100%
Profit After Tax	7,826.67	5,030.57	2,192.93	357%	229%	100%

It is observed that keeping FY 2017 as base year, inventories have drastically increased by 38% in FY 2019 as compared with FY 2018. Due to this, it can also be interpreted that cost of goods sold has increased by 11% in FY 2019 as compared to FY 2018 because the company might have procured raw materials for higher production of goods. TGV SRAAC LTD's revenue has increased by 13% in FY 2019 as compared to previous year which has resulted in increase of gross profits by 26% as compared with FY 2018 before interests, depreciation & amortization and taxes. However, in FY 2019 the company has spent monies on interest expenses and paying taxes due to which the profits get decreased.

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