

**Project Report (17MBAPR407)**  
**ON**  
**“A STUDY ON CASH FLOW ANALYSIS AT BEML LIMITED, KGF”**  
**BY**  
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Submitted to

**VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI**



*In partial fulfillment of the requirements for the award of the degree of*  
**MASTER OF BUSINESS ADMINISTRATION**  
*Under the guidance of*

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**CERTIFICATE**

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For BEML Limited

  
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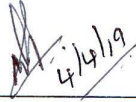
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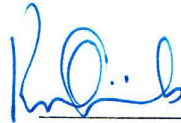
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## DECLARATION

I, **Pooja Reddy K S**, hereby declare that the Project report entitled “**STUDY ON CASH FLOW ANALYSIS**” with reference to “**BEML LIMITED, KGF**” prepared by me under the guidance of Prof. Mallika, faculty of M.B.A Department, Acharya Institution of Technology and external assistance by **B.RAKESH, Asst Manager, BEML LTD, KGF** . I also declare that this Project work is towards the partial fulfilment of the university Regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi. I have undergone a summer project for a period of Six weeks. I further declare that this Project is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University / Institution.

**Place: Bangalore**  
**Date: 25.03.2018**

  
**Signature of the student**  
**Pooja Reddy K.S.**

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I would like to thank **Prof. Mallika**, Asst. Professor, Department of MBA, Acharya Institute of Technology, Bengaluru and external guide **Mr. B.Rakesh**, Designation, Company Name, Bengaluru, who gave me golden opportunity to do this wonderful Project in the esteemed organization, which helped me to learn various concepts.

Finally, I express my sincere thanks to my Parents, Friends and all the Staff of MBA department of AIT for their valuable suggestions in completing this Project Report.

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## **EXECUTIVE SUMMARY**

The project addresses the impact of the cash flow analysis on “BHARATH EARTH MOVERS LIMITED, KGF”. Cash is one of the most important aspects of the organization because it deals with the management of cash and its equivalents in the company. The Company’s production and sales depend primarily on the company’s cash flow. Therefore, proper analysis and management is needed.

The cash flow approach with a precise answer is an excellent mechanism that helps companies manage their cash flow, which can be overloaded due to incorrect forecasts companies manage their cash flow to a large extent based on forecasts of future demand. It has become increasingly important that these forecasts are accurate for a company to stay alive in the competition. As more and more companies have sophisticated general systems that provide accurate forecasts of product demand accurate answers are essential.

The essential cash control system is designed to capture and reduce information as quickly as possible to enable the organization to make the right investment and purchase decisions, stay on top of the inventory policy guidelines and improve in overall performance of cash control.

In the current scenario, when customer satisfaction and service have become one of the main reasons for a company to differ from its calculation, the need to generate effective overhead costs is widely viewed as a need and not just a trend.

The company has taken several initiatives to reduce costs and there is an improvement in productivity and cash control is also done carefully and all this has a favourable impact on profitability.

# Chapter 1

## INTRODUCTION

### 1.1 Introduction

The project is one of the most important parts of the MBA program for students. The theme I chose for the project is “A study on Cash Flow Analysis at BEML, K G F” for 6 weeks. It is the concept which helps us acquire the practical knowledge, the skills required to understand the concepts of Cash Flow Analysis. Cash is the most important asset of every company.

This helps us to know the different sources of liquidity and hold them differently, as well as to several problems that the company faces without sufficient funds. There are three activities in cash flow. We can learn techniques of cash flow concepts. This helps to contribute to the company’s future earnings and forecasts and to increase the number of company stakeholders.

### 1.2 Industry Profile

Industry is a guide for economic development and is the backbone of the country. The development and growth of a country depend to a large extent on the industrialization of its economy.

We work in the public sector to manufacture coaches, spare parts and railway equipment in the Bengaluru complex. BEML has experienced growth and sales for more than four years at the forefront for the engineering sector. The company is a multi-technology company that offers high quality products in various economic fields such as coal, mining, steel, limestone, defence, metro & railways. In line with global technology trends, the company has set up a central research and development center for the study of the Bengal Rail Metro Rail system. They have incorporated sophisticated equipment such as CNC machines, high-tech welding equipment and flexible manufacturing systems to produce state of the art products. All manufacturing facilities are ISO 9001-2000 certified.

As part of the company’s globalization strategy, in addition to its offices in Malaysia and China, the company has recently expanded its global reach by establishing local companies in Indonesia and Brazil. BEML has a national marketing network for sales and construction equipment services covering national market penetration in 22 provinces and metropolitan areas and in two union areas, with Asia, Africa, Latin America, Europe and the Middle East. It covers the countries of the world to cover. In order to increase its global presence, BEML has opened offices abroad and launched strategic alliances.

### **1.3 Company Profile**

BEML Limited (it is formerly Bharath Rail Coaches and Earth Movers Limited) it was recognized in the ear May 1964 as the public sector responsible for the manufacturing of railway cars, spare parts and mining equipment in the Bangalore complex. The company has partially abolished the investment and the Indian Government now holds fifty four per cent of the total capital. The remaining forty six per cent is owned by public institution, financial institutional, foreign institutional investors, banks and employees.

BEML plays a key role in the country and provides services to India in key areas such as Defence, Railways, Electricity, Mining and Infrastructure. Our company's reliably maintained sales of 5 cr from 1965 to the present day and, thanks to the diversity of its business portfolios, we achieved a turnover of over 3,500 cr. The company's three main business segments are railways & metro, defence related products, and the mining & construction sectors. Nine production units are Kolar Gold Fields ( KGF), Mysuru, Palakad (Kerala) & its subsidiary Vignyan Industries Ltd, Chickkamagalur. BEML products are marketed and tested through its extensive marketing network covering the entering country. BEML products are exported more than fifty six countries. As part of its globalization approach. The company recently established local companies in Indonesia & Brazil, and then expanded to offices in Malaysia & China to expand its global reach.

BEML products are exported to more than fifty six countries. As part of its approach to Globalize the company has recently expanded its global reach through establishing local companies in Indonesia & Brazil and expanding its offices in Malaysia & China.

The company operated in 3 major business sectors: Mining & Construction, Defence, Rail & metro. Previous cases are handled with information for the director who is the executive director of the company and its chairman and executive director. In addition, non-domestic products are managed by the sales department.

BEML manufacture defence products supporting Tatra-based high mobility trucks for tank transport trailers, missile project vehicles, land vehicles such as Milrail trucks, Plow mines, fires, snow cutters etc. The company plans to consider updates in the field of battle tanks, with the aim of developing products and assembling them.

The company is also part of the mining and construction industry, which produces mine related products such as loaders, dumper, excavators, motor graders and provides them to various user segments.

The Railways and Metro divisions manufacture and supply vehicles for railways, metro cars, AC EMU, OHE cars, steel cards and aluminium rail cars.

We managed to maintain our infrastructure and R & D team with a consistent policy of complying with all technical requirements, through internal R & D alliances and Strategic technology with global players.

## **NATURE OF THE COMPANY**

Over the past 30 years, BEML has established itself as a leading company in the field of advanced ground circulation machines operating in various economic zones BEML operates in three main commercial sectors for the manufacture of related equipment.

- **Mining and Construction Activity**

BEML Limited offers complete and varied mining machines for open pit and underground mines. BEML manufactures machinery such as electric shovels, excavators, shell loaders, dumper, bulldozers, graders, tire handlers, water sprinklers and backhoe loaders.

- **Rail and Business subway**

In recent years, BEML Limited has entered the high-tech subway trains deployed to move around the city. BEML is expanding its infrastructure to meet the larger needs of planned metro projects in the country. In addition, BEML full rail Trainer, Air Electrical Inspection Card, Pickup Truck , Unit soil management, Truck Positioning Equipment, Wide Gauge Bus etc.

- **Defence affairs**

BEML Limited the leading manufacturer of defence equipment in India, keeps the Indian Army and other defence forces at the forefront of military equipment. The company manufactures.

## **1.4 Promoters**

Sri Deepak Kumar Hota President and CEO

Sri Rajib Kumar Sen Director of Government Appointments, Economic Conselor, Ministry of Defence

Sri B R Vishwanatha Director (Construction and Mining)

Sri R H Muralidara Director (Defence Affairs)

Sri Suraj Prakash Director (Finance)

Sri Sudhir Kumar Bere Independent Director

Sri M G Raghuvir Independent Director

Sri B P Roa Independent Director

Sri Gurmohinder Singh Independent Director

## **1.5 VISION**

As a diversified company, we will provide high quality products and services in the mining, construction, railways, metro, defence, aerospace and other sectors and we will emerge as a company of international renown.

## **1.6 MISSION**

- To improve the competitiveness by collaboration, strategic alliance and joint ventures and maintain and improve the market share of the product groups operated by BEML.
- Increase profitability by actively seeking commercial and market opportunities in domestic and foreign markets by seeking at least 10 per cent of export turnover.
- Technology transfer and introduction of new technologies and introduction of new products through internal R & D.
- Continue the diversification and development of new products and market initiatives with 60 per cent of sales of its research and development products.
- Attract and keep people in a stimulating and moving environment, promoting creativity and innovation at a reduced level of less than 5 per cent.
- For customer satisfaction, overall solutions improve through technology and profitability.

## **VALUES**

Reiterate your commitment towards holding 'BEML FIRST' with the intrinsic values and culture as guiding principles in the following areas:

**F** Focus on customer We strive to achieve customers appreciate in all our actions

**I** Innovation and Technology In all our work, we benefit from our continuous learning, innovations and technology.

**R** Reliability and Quality We build reliability and quality in all our products and services

**S** Speed and Responsiveness We are agile and respond to the needs and challenges of all stake holders with fast execution.

**T** Trust and Teamwork We help each other succeed through integrity, trust, respect, transparency, teamwork and socially responsible entrepreneurship.

## **1.7 QUALITY POLICY**

BEML sees quality improvement as a business strategy and will continue to work actively in the area of service & product quality. BEML, a trade quality policy that focuses on overall quality management, uses quality systems and products and certifies processes and services that meet the highest standards and require performance. reference. Another quality control service paves the way for general quality control

The manufacturing departments are available in R & D, KGF and Mysore Complex laboratories accredited by the National Accreditation Institute (NABL) for the calibration of flow, pressure, torque and mechanical measurement devices. It is reinforced by the production laboratories of the EM and Engine divisions, which are also preparing for a gradual improvement of the NABL certification. The equipment includes custom test tracks to evaluate the performance of the equipment.

The development of the suppliers of the project elements remains the "focus" for improving the quality of the elements and subsets of the suppliers.

Several quality assurance initiatives aimed at achieving continuous quality improvement, such as Kaizen, Statistical Process Management (SPC), Quality Circles, histogram analysis is performed.

## **1.8 PRODUCTS AND SERVICES PROFILE**

### **1.8.1 Mining and Construction**

- Bull Dozers: 90 - 860 FHP
- Excavators: 0.3 - 11.2 Cu m
- Rear Dump Trucks: 35 - 205 T
- Graders: 125,145 & 285 HP
- Wheeled Loaders: 1.7 and 4.7 Cum
- Wheeled Bulldozers: 126 and 300 HP
- Loaders with side unloading: 1.1 Cu m
- Rear Hoe Loaders: 0.24 / 1.2 Cu m
- Pipe Layers: 40T, 70 T & 100 T
- Tire Handler: Lifting capacity 3500 kg

### **1.8.2 Defence Products**

- Armoured Recovery Vehicle
- Recovery of Heavy, Medium and Light Vehicles
- Heavy Duty with High Mobility Vehicles –10x10,8x8, 6x6, 4x4 & Variants
- 50T Trailer for Transportation of tanks
- Pontoon System
- Ground Supporting Vehicles for Integrated Guided Missile Programme
- Soft Fire Crash
- Trailer Tractor
- Weapon Loading Car
- Mine labor
- Bulldozers for snow clearance or road construction to DGBR and E-in-C
- Transmissions, Terminal Units, Interface Elements and Ejector & Air Filters Assemblies for Infantry Combat Vehicles (ICV-BMP-II)
- Hydropneumatic Suspension Systems ,Turret, Transmission and support for MBT Arjun
- Railways and Military Wagons
- Snow Cutter



### **1.8.3 Railway and subway products**

- Metro cars
- Trains
- Railway trainers
- Track Placement equipment
- Air Equipment Inspection Team
- Train bus
- Ministry of Finance Van
- Stainless steel multiplex electric unit
- Multiple AC electrical unit
- Several diesel electric units
- Commercial Vehicle

### **1.8.4 Diesel engines (100 HP to 770 HP)**

- For captive application
- For the manufacture of sets of DGs
- For the application of heavy trucks
- For replacements in defence equipment
- For compressor application

### **1.9 Areas of Operation**

There are nine manufacturing units in BEML, which is extended to the following location.

- Kolar Gold Field Complex (KGF) – Land Motor or Power and Hydraulic Lines or Heavy Rail Processing Unit II
- Mysuru Complex or Truck Division Engine Section
- Bengaluru Complex- Railway and Subway Division
- Palakad Complex
- Vignyan Industries Limited

### **1.10 Infrastructure Facilities**

BEML has manufacturing facilities at K G F, Mysuru and Bangalore and incorporates high-tech manufacturing equipment with sophisticated CNC machines, welding robots and more again. Be an important structure for the industry. The company has a captive foundry in Tarikere (M/s Vignyan Industries). It has all the basic equipment needed for production, as well as special machines and equipment to manufacture different products.

### **1.11 Competitor Information**

- Transport by bomber

Both are in Savli (Gujarath) and so far, there is a supply bus for the Delhi Metro.

- Alstom

The establishment of a new establishment in Sricity, near Chennai, consisted of the provision of a coach for Metro Coach.

The other competitors are:

- Catter pilar INC
- L & T
- KOMATSU
- JCB
- VOLVO
- HITACHI
- HINDUSTAN MOTORS

### **1.12 SWOT ANALYSIS**

#### **Strength**

- Establishes the knowledge base, a manufacturing infrastructure, qualified human resources and a competitive market share in all categories.
- All manufacturing divisions accredited with a Quality Management System (QMS) in accordance with ISO 9000-2008 standard.
- Established Research & Development base with absorptive design and technology capabilities.
- Technical independence for the existing product range and processes/ production.
- Development of a high end diesel/ electrical dump truck and excavator as part of the “Manufacturing in India” Initiative.

- BEML is the first Indian company to acquire capacity in the national subway car manufacturing sector.
- Test equipment and track dedicated to vehicle tracking and movement
- Wide range of products to meet customer needs.
- Broadly disseminate the sales network, services and sales of spare parts.
- Establish a presence and brand image.

### **Weakness**

- Unlike other DPSUs, the Ministry of Defence does not guarantee the work.
- There are uncertainties in the order of the railways.
- A conservative approach to marketing and business development
- Profitability is low because it depends on the environment
- The technical level of a particular product can not be measure internationally or in a trend.

### **Opportunities**

#### **Mines and Construction**

- Coal India Limited recorded a capital investment of Rs. 9,500 in 2018-19.
- Increased infrastructure development by the government.

#### **Train and Subway**

- Metro Rail has expanded to Japan's Level II cities. Lai Trail Metro also catch up as an income line that is expected to emerge from Level 2 & 3 cities.
- The Indian railways are graduates of the LHB Coach and the EMU in stainless steel.
- Promoting Gol's public markets.

#### **Defence**

- Making in India policy is beneficial to the industry, with a focus on the production of indigenous peoples.
- Intensify the modernization dynamic of central paramilitary forces.
- Repair options, program updates, maintenance and revisions are increasing.

## **New domains**

- Demand for high quality skips, excavators and electric trucks.
- Slow trains offer new business opportunities.
- It is expected that the monorail, which is also the main subway line of the subway of the first tier cities, will leave the second and third tier cities.
- High speed trains and EMU at medium speed.

## **The threats**

- After liberalization, technical managers work more directly than divide the technology between Indian counterparts.
- At BEML, there are Mergers and Acquisitions in the mining and construction machinery industry.
- The main threats are the delay of projects in the mining sector, in particular because of delay of social problems and the solution of the environment.
- There is a demand for high capacity construction and operating equipment line along with global market trends.
- The entrepreneurs segment is highly anticipated.
- There is a cost saving property because the pressure is increasing.
- Need to improve technology so that operating costs remain at the forefront of the business.
- The uncertainty of defence procurement from the private sector has intensified competition.
- The product is thrown away.
- The private sector to support political intervention.

## **1.13 Future Growth and Prospects**

- In Defence and Aerospace sector, the impetus given to import substitution through indigenization and the Make-in-India initiative has opened up many possibilities.
- Plans are put in place to diversify into new products namely, Repair and Recovery vehicles for Battle Tanks, Mounted Gun Systems, Mine Protected Vehicles, Futuristic Infantry Combat Vehicles, Overhauling of High Mobility Vehicles and Armoured Recovery Vehicles, Mine Clearing Systems and aggregate for Missile System and Combat Vehicles.

- In Rail and Metro sector, Company has successfully implemented the Capital Railway project in several cities in India and is currently executing orders from Bangalore and Kolkata Metro corporations.
- Metro Rail projects have been planned in a many of Metro and Non-Metro cities of India as part of urban development programme and should offer your business an opportunity for constant growth.
- In Mining and Construction sector, as a Government increasingly focused on infrastructure projects, demand or construction equipment is increasing, which bodes well for the society.
- Towards business expansion, company has focused on high end Mining Equipment, Continuous Miner and Mine Cruiser, as well as the design and development of cable excavators through an R&D / internal association.

## 1.4 FINANCIAL STATEMENT ANALYSIS

### 1.1 Table showing Balance Sheet and Profit and Loss Account for the year ending 2017-18 & 2016-17

SI No.	Particulars	2017-18	2016-17
<b>A</b>	<b>Our earnings</b>		
	Revenue of Gross	3,27,762	2,80,628
	Export	2,814	3,016
	Total Gross Revenue	3,30,576	2,83,698
	Less: Value of Consortium Supplies	35	232
	Revenue Net	3,30,541	2,83,466
<b>B</b>	<b>Our outgoings</b>		
	Cost of materials	1,72,544	1,34,573
	Employee fee	80,850	78,072
	Interest	4,809	4,780
	Depreciation	6,424	6,198
	Other Expenses	50,160	68,768
<b>C</b>	<b>Our Savings</b>		
	PBDIT	27,612	20,807
	PBIT	21,188	14,609
	PBT	16,379	9,829
	PAT	12,945	8,444
	Other	7,066	1,189
	Total	5,879	7,255
<b>D</b>	<b>Own Capital</b>		
	Equity	4,177	4,177
	Other Equity	2,15,846	2,13,978
<b>E</b>	<b>Loan Capital</b>		
	Loan from Banks	13,502	11,285
	Other loans	31,055	32,286
<b>F</b>	<b>Financial Statistics</b>		
	Net worth	2,20,023	2,18,155
	Property, Plant	75,597	62,298
	Accumulated Depreciation	17,312	11,208

	Net Block	58,285	57,086
	Inventories	1,79,951	1,97,446
<b>G</b>	<b>Financial Ratios</b>		
	Revenue from operations per employee	42.03	30.40
	Value added per employee	19.44	15.55
	PBT to Revenue from Operations	5.05	3.93
	PBIT to capital employed	7.96	5.42
	Profit After Tax to Net worth	5.88	3.87
	EPS	31.08	20.28
	Dividend	80.00	40.00

## **CHAPTER 2**

### **CONCEPTUAL BACKGROUND AND LITERATURE REVIEW**

#### **2.0 MEANING**

Cash plays an important role in the economic life of the company. The company needs money to pay the supplier and pay the daily costs to pay wages, interest, wages and dividends. In fact, it seems that the blood of the human body and money is in business. It is therefore very important that your company maintains a good cash balance. For example, the concerns are cost-effective, but they do not have enough cash to analyze the financial statements to pay dividends and deliver messages to shareholders and the general public. Cash management is therefore very important. Focus on moving the cash flow and its equivalents. Cash refers to deposits required by banks and cash. Cash equivalents include cash borrowings, short-term deposits and securities.

The cash flow statement covers cash flows, including cash equivalents and cash. This statement is additional information for users of the financial statements. Account statements and deposits are shown on the statement. Surveys assess the ability of companies to create and use species. Therefore, a cash flow statement can be defined as a collection and summary of payments for a given period. This also explains why the company's cash flow is changing. Cash flow corresponds to cash inflows and outflows. A transaction that increases a company's cash position is called cash flow and the cash outflow is a transaction that reduces the cash position. Statements of cash flows include various cash-generating sources, such as operating cash flow, sale of fixed and liquid assets, capital and debt issues, cash outflows, operating losses and cash flows. cash. Current and future cash flows. Fixed assets, buyback of bonds, preferred shares and other long-term liabilities for money. In other words, the statement of cash flows shows cash inflows and outflows over a period of time. The cash flow statement provides a series of objectives:

- The cash flow statement is intended to highlight cash flows from operating activities.
- Cash flow tables help you plan for the repayment of loan terms and the replacement of capital assets.
- Money is at the heart of all financial decisions. It serves as a basis for future investments and financing plans of the company.



- The cash flow statement helps you better understand the liquidity situation of your business. Banks and financial institutions often prefer cash flow statements to analyze the liquidity of credit companies.
- Cash flow statements help you manage cash effectively.
- In general, management reviews the cash flow statement to understand the cash flow most likely to be used to pay dividends.
- The cash flow statement based on AS-3 (revised) presents separately the cash flows generated and used in operating, investing and financing activities.
- This is very useful for assessing the cash flow situation of the company.

### **Usefulness of cash flow**

- **Forecast future cash flows:** This statement is used as an indicator of the amount, timing and certainty of future cash flows based on what has happened in the past. This approach is better than the incentive data presented in the Statement of Operations and Balance Sheet.
- **Determining the Capacity of Dividends and Other Commitments:** This statement assists cash and the sources of sales, investment and financing in determining whether shareholders can pay dividends for their capital and credit investments. I receive interest and capital on time.
- **Shows the relationship between net cash and cash flow.** In general, there is a direct relationship between net income and cash flow. High net income increases in cash and vice versa. However, if the company's net income is high, but the cash balance is low and the net income is low, the cash balance may increase.
- **Cash-saving motion:** This statement is very useful for executives who evaluate financial policies and cash positions. This will help executives forecast cash flow in the near future, inform them of their free cash flow, or use cash flows.
- **Cash Flow Announcement:** The previous year's cash flow statement indicates the extent to which the Company's resources have been increased and utilized relative to the year's budget. Compared to initial forecasts, actual results may highlight the trend of cash flows that would otherwise not have been detected.
- **Assessment of management's decision-making process:** provides information about investment and financing companies, provides cash flow information to investors and creditors, and helps them assess management decisions.

- **Improves comparability of reports:** Improves the comparability of other companies' operational performance reports by eliminating the effects of using different accounting processes for the same transactions and events.

## **Cash flow classifications**

### **1. Operating Activities**

Cash flows from operating activities are derived primarily from the Company's monetary policy activities. Cash flows from operating activities are as follows.

- Revenue from the sale of goods and services.
- Receipts for commissions, royalties, royalties and other products.
- Payment to employees in cash.
- tax refund or cash payment.

#### **A. Short-term assets**

- (i) The increase in current assets reduces cash inflows by reducing cash as current assets.
- (ii) Cash inflows increase while current assets decrease due to a liquidity leak due to the sale of liquid assets.

#### **B. Short-term liabilities**

- i) As cash is saved, cash flows decline as short-term liabilities increase. (ii) If the current liability decreases, the cash flow increases due to the payment of the debt.

### **2. Investment activities**

are transactions that affect the sale of assets and long-term or long-term investments. Here are some examples of cash flow investments.

1. Cash payment for the acquisition of fixed assets.
2. Cash received from the sale of fixed assets.
3. Acquire a share or an obligation by paying in cash.
4. Receipt of cash for amortization of loans and amortization to third parties.

As a result, **cash flows from investing activities**

- Cash sales, goodwill, installations and machines, furniture on the continent and buildings.
- Cash sales by investing in stocks and bonds of other companies.
- Cash receipts invoiced for loans to third parties.

**Cash flow from investing activity are as follows.**

- Purchasing of fixed assets such as land, buildings, furniture, machinery.
- Purchase of intangible assets, i.e goodwill and trademark rights.

- Acquisition of shares and bonds.
- purchase of government bonds.
- Loans to third parties.

### **3.Financing activities**

are important to separately report cash flows generated by financing activities. In fact, it is useful for companies to predict their claims for future volcanic ash flows. Here are some examples of cash flow from financing activities.

- Redemption of money in circulation or other similar instruments.
- Cash income from debts, loans, bonds and other short and long-term debt.
- Repurchase of loans.
- Cash repayment for the acquisition or repayment of shares to the owner.
- payment of dividends
- cash payment from the lessor to reduce outstanding leasing debt
- The money is generated in the mortgage.

### **2.1 Literature Review**

- **James D Stice. Cash Flow Method: An Analysis Matrix** Cash flow consists of two sets of direct and indirect cash flow statements: (1) a statement of cash flows, (2) a statement of cash flows, cash, there is a guy. The direct method is easy to understand, but it is difficult to prepare the other. The indirect method is difficult to understand but easy to prepare. Income statements and balance sheets analyze the information needed to prepare business activities, directly or indirectly.
- **Darshana D. Palkar (2017) "Relationship between volatility and cash flow performance and financial limits: international data"**. This study conducted a portfolio analysis to test the effect of cash flow volatility on returns, the market, the book market, the size of the market and the dynamics. and size.
- **ThitimaSiththipongpanich, (2017) "Family Ownership and Free Cash Flow"**, this paper focuses on examining the impact of family ownership on the sensitivity of cash flows and business results of an investment. The authors examined the relationship between investment and cash flow, as well as the relationship between homeownership and the performance of listed companies in Thailand from 2001 to 2008.

- **MarwaSamet, Anis Jarboui, (2017) "CSR, Agency Cost Sensitivity and Investment Cash Flow: A Moderate Moderation Analysis"** The purpose of this paper is to document the relationship between the sensitivity of investments cash flow and corporate participation in the company "responsible activities" This article explains how CSR mitigates the sensitivity between domestic financing and capital expenditures.
- **Varun Dawar, (2015) "The Relative Predictive Capacity of Profits and Cash Flow: Evidence from Shariah-compliant Companies in India"**. The main objective of this study is to examine the relationship between the predictive capabilities of current earnings (and their components) and cash flow cash flows of the next period in the case of companies complying with Sharia law in India. .
- **Peter J. Frischmann, Lela D, MukunthanSanthanakrishnan, (2015), Teaching Cash Flow Statement and Estimating Free Cash Flow.** We examine one of the complexities of creating a cash flow statement. This may include a discussion on how to create a cash flow statement using an indirect method. It also includes a justification for manipulating the manipulation of sections and emphasizes the disadvantages of using the configuration without understanding why.
- **Billie Ann Brotman, (2014) "Green Office Building: Discounted Cash Flow After Tax"**. The main purpose of this technical paper is to agree, of course, with American developers to obtain a green certification. Costs of green certification If construction is superior to non-green building, there is a financial reason that does not require ecological qualification. Green buildings are better than non-green buildings in terms of performance. This paper develops and presents a value model In addition to the cost-benefit analysis of green architecture, this allows investors to judge the feasibility of building a new building with an ecological certification instead of a non-green building. existing ecological system.
- **Tarek Zayed, Yaqiong Liu, (2014) "Cash Flow Model for Construction Projects"**. This study deals with construction projects recognized for their complexity and ambiguity. Since the project involves large capital expenditures and complex site conditions, it presents a higher risk than existing projects. Effective cash flow management is very important because poor financial management can lead to bankruptcy.

- **Pablo Fernández, (2007) "Business valuation by discounting cash flow: ten methods and nine theories"**. The purpose of this paper is to answer the following question: Do discounted cash flow valuation methods always provide the same value?

This document summarizes ten methods: adjusted present value, free cash flow and cash flow risk of the company, free cash flow and risk value, free cash flow, economic value, cash flow Economic value added.

- **Divesh S Sharma (2001) "The role of treasury information in forecasting the bankruptcy of a business: the state of literature"**. The study provides a comprehensive critical review of the default forecast as well as the cash flow variables used and the results were obtained. Describes the literature as inconsistent and inconclusive and discusses possible reasons. He emphasized the importance of liquidity for solvency and the payment of dividends.
- **Krishna R. Kumar, (1993) "Income, Cash Flow and Executive Compensation: Exploratory Analysis"**. This study examines the relationship between management compensation, revenues and cash flow. A previous survey found a substantial correlation between total compensation, but the popular press reports that many companies have adopted less traditional methods of awarding compensation to executives.
- **Ammar P. Kaka, Farzad Khosrowshahi, (1996) "Effect of Different Procurement Streams on Entrepreneur Cash Flow"**. Indicates the effect of different purchase methods on project cash flows. Historical data was collected on the periodic cost of 150 construction projects. Four criteria were defined to classify the projects: type of project, company, type of acquisition and size. This analysis of the criteria in S curves using ANOVA.
- **Rohit Kishore (1996) "Analysis of discounted cash flows in real estate investment valuations"**. This author mainly talks about the analysis of discounted cash flows in real estate investments, it is a valid method to evaluate the future cash flows of investments. It is the investment of market players and is able to summarize the savings achieved through investment decisions made by institutional investors.
- **Jon Rabinson (1987) "AFTER THE CASH FLOW ANALYSIS TAX"**. The only incentive for real estate development is to create tax shelters through tax depreciation for certain parts of buildings. The deduction of the tax depreciation can be claimed only on the income of the subject of the property, or it will be another source, sometimes

necessary after the tax analysis. It is necessary both for the capitalization and for the treasury techniques described.

- **Jon Rabinson (1986) "ANALYSIS OF MORTGAGE-EQUITY CASH FLOWS", Journal of Valuation.** This study provides information on the capitalization technique of mortgage capital and is normally used in investment analysis and investment analysis. valuation practice in the United States of America, consider two components of value, debt and equity, which generally apply to the net income to be received in the first year. The two techniques are combined, in which the debt capital is treated as a true series of cash flows, which makes the discounted cash flows available for the share capital.
- **BJ Webb, JM Broadbent, (1986) "Financial and football clubs: What the cash flow analysis reveals".** The financial position of the Football League has been highlighted by wide coverage of the press and given the concerns of the Football League. The use of traditional financial reporting practices has hindered understanding and examined the cause and indicators of clubs' financial difficulties. The first examines the objectives of financial reporting. It is those who are most satisfied with the information on cash flow. The second part indicates that the results of an empirical analysis look for a sample of football club accounts and evaluate the informative value of a cash-flow approach.

## **CHAPTER 3**

### **RESEARCH DESIGN**

#### **3.1 Title of the Study**

**"A study on cash flow analysis in BEML, KGF"**

#### **3.2 Statement of the problem**

Understanding the general direction in which the company operates and the steps to be taken to correct the deviation from the set of standards is of utmost importance. This is why a cash flow analysis is necessary to ensure its efficient operation. Price is the only element that generates profit / revenue for the company. As a result, pricing can be done through efficient inventory maintenance and the cost of the company's product. Therefore, the purpose of the study is to determine whether the firm is managing overhead effectively and what is driving high costs for the products.

#### **3.3 Need the study.**

- Understand the fluctuation of prices.
- Know where the company is.
- Indicates the possibility of saving and investing.
- Take control of the finances.
- Identify the opportunity.
- You can also discover additional money.

#### **3.4 Objectives of the study.**

- Determine net cash flows from operating activities for a five-year period.
- Evaluate the net cash flows of financing and investment activities over five years.
- Determine the net cash balance at the end of the year.
- Analyze different sources and applications of funds for net cash flow.

### **3.4 Scope of the study.**

The study focuses on BEML Ltd.'s cash flow analysis. It helps management to make corrective decisions accordingly.

### **3.5 Methodology**

The research methodology is a way to solve the problem of research in a systematic way. The quality of the research depends on the methodology adopted for the study. It's about studying how research is done systematically.

Some things have to be done in a certain order and the orderly steps are essential because, unless you follow the right methodology, the thoughts can not be organized in the right order. The validity of systematic work depends on the correct work of sampling, data collection and data interpretation.

#### **Type of research**

Design of analytical research

#### **Data type**

Data refers to information or facts that may be numbers, non-numerical information, descriptive facts and quantitative information. The data can be categorized in general terms as follows.

##### **• Primary information**

This is the data collected for the first time through a field survey that reveals the cross-sectional picture of everything that has been studied.

The data collected during the discussion with the leaders, the store representatives, etc. they are primary data.

The methods used for primary data collection are as follows:

- observation method
- Direct communication with financial service staff.
- Communication with all support departments.



### • **Secondary data**

It refers to data or facts already collected for the purpose of considerate the past state of any variable or data collected and informed by an accessible source used for the purpose of a study. Secondary data it refers to the information or facts already collected for the purpose of understanding the past state of any variable or data collected and informed by an accessible basis used for study purposes.

### **Data source**

Data or facts, figures and other relevant elements of the past and present that serve as a basis for study and analysis. The data serves as the basis for the analysis. Without the analysis of the real facts, a specific inference can not be made on the questions of the study. The interference of work in the conjecture of the imagination can not provide a correct answer to the questions of research. The relevance, relevance and reliability of the data determine the quality of the results of a study.

For the purposes of this study, data were collected from the following sources. They are

- main source
- secondary source

### **Main source**

Primary data is a single source from which the researcher collects the data directly. In this study, primary data was compiled using a personal interview method using the interview schedule. The following sources were also used.

- observation
- experimentation
- survey method

### **Secondary Source**

Secondary data is the source that contains data and is filled for another purpose. The secondary source consists of easily accessible data, statistical data and reports already completed, the data of which can be used by the researcher for his studies.

Secondary sources were collected from other sources. Secondary data sources are listed below:

- Standard Reference Manual
- published documents
- Magazines and several websites
- Research thesis and thesis.
- Internet

### **3.7 Limitations**

1. The above analysis is limited to one company, namely Beml Ltd., KGF Complex.
2. The analysis performed in the study depends on the information provided by the company.
3. The study only takes into account the quantitative aspects and the qualitative aspects are not taken into account.
4. The control technique adopted is only the assumption of an estimated budgeted value adopted by the company.

### **3.8 Chapter plan**

#### **Chapter 1 Introduction**

Introduction, Sector profile and Company Profile, Organizers, Vision-Mission, Quality Policy, Product / Service Profile, Business Lines, Infrastructure, Competitor Info, SWOT, Future Growth and Financial Statements

#### **Chapter 2: Conceptual Context**

Theoretical study and review of the literature.

#### **Chapter 3: Research Design**

Statement of issue, need for study, objectives, scope of study, research methodology, limitations, overview of part.

#### **Chapter 4: Analysis and Interpretation.**

Analysis and interpretation of data collected using tables, graphs and results obtained.

#### **Chapter 5: Conclusions, Suggestions and Conclusions.**

Summary of findings, suggestions and conclusions.

- bibliography

Annex, questionnaire and others

## CHAPTER 4

### ANALYSIS AND DATA INTERPRETATION

#### 4.1 Table showing Statement of Cashflow for the year 31<sup>st</sup> March 2018 & 2017

(□ in lakhs)

	Particulars	31 <sup>st</sup> March 2018		31 <sup>st</sup> March 2017	
		Sub	Main	Sub	Main
<b>A</b>	<b>Cash flow from operating activity</b>				
	Net income before taxes		16,379.47		9,829.08
	Depreciation and amortization.	6,423.84		6,197.79	
	Profit / loss on property	4.56		2.08	
	Loss of change / (gain)	141.63		21.09	
	Obsolescence benefit	774.99		801.45	
	Bad debts cancelled	119.91		15.23	
	Cost of financing	4,808.56		4,779.68	
	Interest income	(336.54)		(492.44)	
	Another provision	6,393.12	18,330.07	273.65	11,598.53
	<b>Operating income</b>		34,709.54		21,427.61
	Adjustments for stocks.	16,027.80		(28,919.13)	
	Customers and other debtors	(18,607.56)		(27,417.70)	
	Other current assets	5,364.03		9,256.76	
	Commercial debts	3,689.58		8,514.59	
	other debts	(26,788.09)	(20,314.24)	29,754.72	(8,810.76)
	<b>Cash generated by operations.</b>		14,395.30		12,616.85
	Direct taxes (paid)		(1,583.45)		8,193.01
	<b>NetCash flows from / (used in) operational activities</b>		12,811.85		20,809.86
<b>B</b>	<b>Cash flows from investment activity.</b>				
	Purchase of real estate	(5,776.79)		(6,380.91)	
	Purchase of intangible assets.	(790.37)		(37.10)	
	Real estate selling	79.8100		23.88	

	Interests received	336.54		492.44	
	<b>Net cash from investment activities (used)</b>		(6,150.80)		(5,901.73)
<b>C</b>	<b>Cash flow from financing activities.</b>				
	Produces long-term loans.	-		(3,877.85)	
	Produces inter-company loans.	(696.82)		(5,565.61)	
	Reduced rate loan product	(534.74)		337.28	
	Cost of financing	(4,803.84)		(4,892.73)	
	Dividend and tax paid for the shares.	(4,009.73)		(2,004.89)	
	<b>Net cash flow from financing activities / (used in)</b>		(10,045.18)		(16,003.82)
	<b>Net increase / decrease in cash and cash equivalents.</b>		(3,384.13)		(1,095.67)
	<b>Cash and cash equivalents at the beginning of the year.</b>		(9,884.15)		(8,788.44)

#### 4.2 Table showing Statement of Cashflow for the year 31<sup>st</sup> March 2017 & 2018

(in lakhs)

A	Particulars	31 <sup>st</sup> of March 2017		31 <sup>st</sup> of March 2018	
		Sub	Main	Sub	Main
	<b>Cash flow from operating activities</b>				
	Net income before taxes		9,829.08		7,791.72
	Depreciation and amortization.	6,197.79		5,576.82	
	Profit / loss on property	2.08		14.08	
	Loss of change / (gain)	21.09		94.01	
	Obsolescence benefit	801.44		555.44	
	Bad debts cancelled	15.22		384.96	
	Cost of financing	4,779.68		4,902.81	
	Interest income	(492.44)		(713.28)	
	Another provision	273.65	11,598.53	3,096.90	13,911.74
	<b>Operating income</b>		21,427.61		21,703.46
	Adjustments for stocks.	(28,919.13)		21,498.84	
	Customers and other debtors	(27,417.70)		341.88	
	Other current assets	9,256.76		(8,883.16)	
	Commercial debts	8,514.59		(11,189.61)	
	other debts	29,754.72	(8,810.76)	(13,968.41)	(12,200.46)
	<b>Cash generated by operations.</b>		12,616.85		9,503.00
	Direct taxes (paid)		8,193.01		(1,500.27)
	<b>NetCash flows from / (used in) operational activities</b>		20,809.86		8,002.73
<b>B</b>	<b>Cash flow from investment activities.</b>				
	Purchases of real estate	(6,380.91)		(2,839.36)	
	Purchasing of intangible assets	(37.09)		(1,274.09)	
	Real estate selling	23.82		88.55	
	Interests received	492.44		720.56	
	<b>Net cash from investment activities (used)</b>		(5,901.75)		(3,304.34)

	<b>Cash flow from financing activities.</b>			(3,144.45)	
	Produces long-term loans.	(3,877.85)		(1,565.60)	
	Produces inter-company loans.	(5,565.61)		(417.40)	
	Reduced rate loan product	337.28		(4,814.08)	
	Cost of financing	(4,892.73)		(501.22)	
	Dividend and tax paid for the shares.	(2,004.89)			(10,442.75)
	<b>Net cash flow from financing activities / (used in)</b>		(16,003.80)		(5,744.36)
	<b>Net increase / decrease in cash and cash equivalents.</b>		(1,095.69)		(3,044.09)
	<b>Cash and cash equivalents at the beginning of the year.</b>		(8,788.45)		(8,788.45)

### 4.3 Table showing Statement of Cashflow for the year 31<sup>st</sup> March 2016 & 2017

(in lakhs)

	Particulars	31 <sup>st</sup> of March 2016		31 <sup>st</sup> of March 2015	
<b>A</b>	<b>Cash flow from operating activities</b>				
	Net income before taxes		6,427.23		691.15
	Depreciation and amortization.	5,576.82		5,123.76	
	Special damping tools	255.44		209.52	
	Profit / loss on property	14.08		(15.74)	
	Loss of change / (gain)	94.01		(119.41)	
	Obsolescence benefit	555.45		702.60	
	Bad debts cancelled	384.95		146.72	
	Cost of financing	4,902.81		7,051.41	
	Interest income	(713.28)		(945.94)	
	Another provision	2,839.53	13,911.74	2,224.31	14,467.23
	<b>Operating income</b>		21,703.46		15,158.38
	Adjustments for stocks.	21,498.84		23,821.76	
	Customers and other debtors	341.88		(740.21)	
	Other current assets	(8,883.16)		1,950.69	
	Commercial debts	(11,189.61)		15,768.80	
	other debts	(13,968.41)	(10,127.35)	(2,404.18)	38,396.86
	<b>Cash generated by operating activities</b>		9,503.00		53,555.24
	Direct taxes (paid)		(1,500.27)		1,288.75
	<b>NetCash flows from / (used in) operational activities</b>		8,417.34		54,843.99
<b>B</b>	<b>Cash flows from investment activities.</b>				
	Purchase of real estate	(2,839.36)		(4,097.02)	
	Purchase of intangible assets.	(1,274.09)		(483.44)	
	Real estate selling	117.30		15.75	
	Interests received	757.20		938.66	

	<b>Net cash from investment activities (used)</b>		(2,947.31)		(3,626.05)
<b>C</b>	<b>Cash flow from financing activities.</b>				
	Produces long-term loans.	(3,144.45)		(3,144.43)	
	Produces inter-company loans.	(1,565.60)		(1,565.61)	
	Reduced rate loan product	(417.40)		(417.40)	
	Cost of financing	(3,281.36)		(26,119.70)	
	Dividend and tax paid for the shares.	(4,476.84)		(6,634.05)	
	<b>Net cash flows from financing activities / (used in)</b>	(501.22)		(487.22)	
	<b>Net increase / decrease in cash and cash equivalents.</b>		(13,386.87)		(38,368.41)
	<b>Cash and cash equivalents at the beginning of the year.</b>		(7,916.84)		12,849.53



#### 4.4 Table showing Statement of Cashflow for the year 31<sup>st</sup> March 2015 & 2014

(in lakhs)

	Particulars	31 <sup>st</sup> of March 2015		31 <sup>st</sup> of March 2014	
<b>A</b>	<b>Cash flow from operating activities</b>				
	Net income before taxes		691.15		908.22
	Depreciation and amortization.	5,123.76		5,355.81	
	Special damping tool	209.52		121.73	
	Profit / loss on property	(15.74)		(4.16)	
	Loss of change / (gain)	(119.41)		315.25	
	Obsolescence benefit	702.60		1,154.77	
	Bad debts cancelled	146.72		158.73	
	Cost of financing	7,051.41		11,045.74	
	Interest income	(945.94)		(2,054.46)	
	Another provision	2,224.31	14,467.23	(106.55)	15,986.86
	<b>Operating income</b>		15,158.38		16,895.08
	Adjustments for stocks.	23,821.76		24,236.33	
	Customers and other debtors	(740.21)		16,463.40	
	Other current assets	1,950.69		(6,670.46)	
	Commercial debts	15,768.80		(10,452.20)	
	other debts	(2,404.18)	38,396.86	1,574.07	25,151.14
	<b>Cash generated by operations.</b>		53,555.24		42,046.22
	Direct taxes (paid)		1,288.75		(2,644.32)
	<b>NetCash flows from / (used in) operational activities</b>		54,843.99		39,401.90
<b>B</b>	<b>Cash flow from investment activity.</b>				
	Purchase of real estate	(4,097.02)		(4,310.31)	
	Purchase of intangible assets.	(483.44)		(949.41)	
	Real estate selling	15.75		4.16	
	Interests received	938.66		2,457.07	

	<b>Net cash from investment activities (used)</b>		(3,626.05)		(2,798.49)
<b>B</b>	<b>Cash flow from financing activity</b>				
	Produces long-term loans.	(3,144.43)		(3,394.95)	
	Produces inter-company loans.	(1,565.61)		(1,565.60)	
	Reduced rate loan product	(417.40)		2,087.00	
	Cost of financing	(26,119.70)		(27,677.26)	
	Dividend and tax paid for the shares.	(6,634.05)		(10,903.52)	
	<b>Net cash flow from financing activities / (used in)</b>	(487.22)		(1,218.05)	
	<b>Net increase / decrease in cash and cash equivalents.</b>		(38,368.41)		(42,672.38)
	<b>Cash and cash equivalents at the beginning of the year.</b>		12,849.53		(6,068.97)
	<b>Depreciation and mortization</b>		1,623.49		7,692.46
	<b>Special Damping tools</b>		14,473.02		1,623.49

#### 4.5 Table showing Statement of Cashflow for the year 31<sup>st</sup> March 2014 & 2013

(in lakhs)

	Particulars	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
		Sub	Main	Sub	Main
<b>A</b>	<b>Cash Flow from Operating Activities</b>				
	Net profit before tax		908.22		(12,233.54)
	Depreciation and Amortization	5,355.81		5,024.96	
	Amortization of Special Tools	121.73		260.70	
	Gain/Loss on property	(4.16)		(8.62)	
	Foreign exchange loss/ (gain)	315.25		(276.68)	
	Allowance for obsolescence	1,154.77		609.87	
	Bad debts written off	158.73		77.35	
	Financing Cost	11,045.74		14,099.34	
	Interest Income	(2,054.46)		(4,051.85)	
	Other Provision	(3,112.69)	12,980.72	13,264.81	28,999.88
	<b>Operating Profit/ Loss</b>		13,888.94		16,766.34
	Adjustments for Inventories	24,236.33		(3,638.91)	
	Trade and other receivables	16,463.40		(17,971.74)	
	Other current assets	(6,670.46)		(7,864.79)	
	Trade payables	(10,452.20)		(832.02)	
	Other payables	4,580.21	28,157.28	2,840.90	
	<b>Cash generate from Operations</b>		42,046.22		(27,466.56)
	Direct taxes (paid)		(2,644.32)		(10,700.22)
	<b>Net Cash Flow from/ (used in) Operating Activities</b>		39,401.90		(3,149.23)
<b>B</b>	<b>Cash Flow from Investing Activities</b>				(13,849.45)
	Purchase of Fixed Assets	(4,277.60)		(13,368.42)	
	Purchase of intangible assets	(949.41)		(3,600.97)	
	Sale of property	(28.55)		8.62	
	Investment subsidiaries	-		-	
	Interest received	2,457.07		3,776.79	
	<b>Net cash flow from/ (used in)</b>		(2,798.49)		(13,183.98)

	<b>Investing Activities</b>				
<b>C</b>	<b>Cash flow from Financing Activities</b>				
	Proceeds from long term borrowings	(3,394.95)		(248.18)	
	Proceeds from Bonds	-		30,000.00	
	Proceeds from Unsecured Loans	-		(5,163.00)	
	Proceeds of loans and Advances	(1,665.60)		(2,565.60)	
	Proceedings of Soft loan	2,087.00		-	
	Proceedings of Short term borrowings	(27,677.26)		7,258.97	
	Financing Cost	(10,903.52)		(12,383.48)	
	Dividend and Tax paid for shares of equity	(1,218.05)		(1,420.02)	
	<b>Net cash flows from/ (used in) Financing Activity</b>		(42,672.38)		15,478.69
	<b>Net increase or (decrease) in cash and cash equivalents</b>		(6,068.97)		(11,554.74)
	<b>Cash and Cash Equivalents at the Beginning of the year</b>		7,692.46		19,247.20
	<b>Cash and Cash Equivalents at the ending of the year</b>		1,623.49		7,692.46

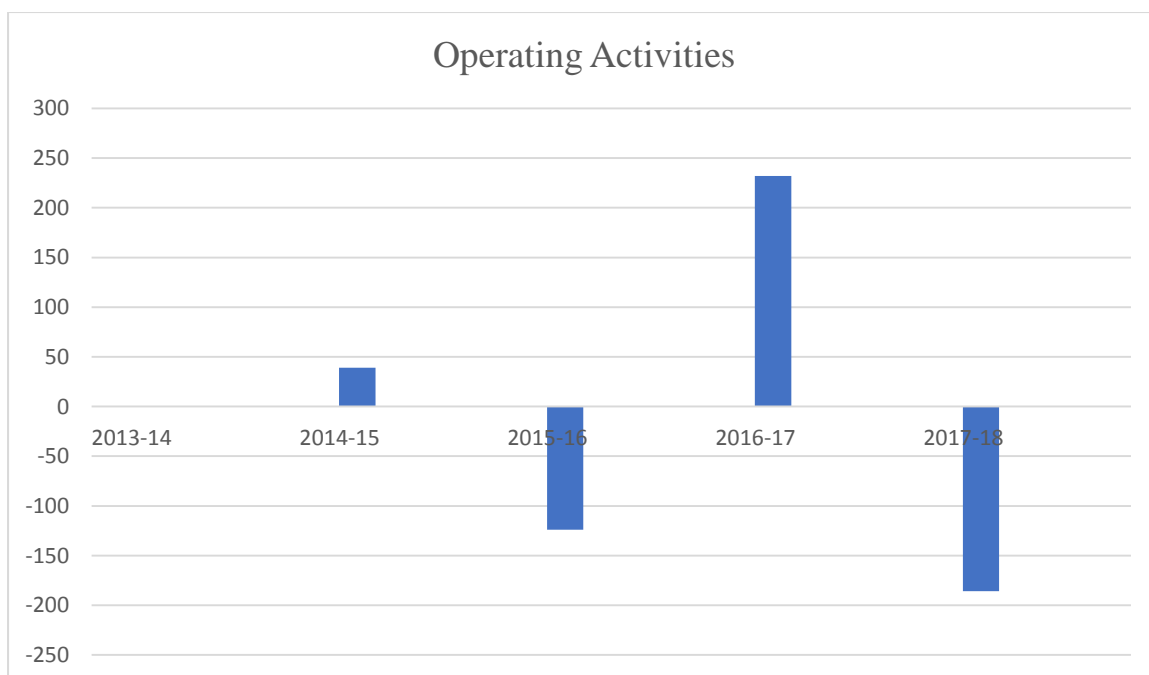
#### 4.6 Table Showing Cash Flow from Operating Activities

Year	Cash Flows	Absolute Change	Trend Percentage
2013-14	39,401.90	100	-
2014-15	54,843.99	139.19	39.19
2015-16	8,417.34	15.35	-123.84
2016-17	20,809.86	247.23	231.88
2017-18	12,811.85	61.56	-185.67

#### Analysis

The above table reveals that the Trend percentage for the year 2013-14 is 0, 2014-15 is 39.19, 2015-16 is -123.88, 2016-17 is 231.88, 2017-18 is -185.67.

#### 4.1 Graph Showing Operating Activities



#### Interpretation

From the above graph it is clear that the company's Operating Activity is not ideal, it is varying each year in 2016-17 it has maintained good progress but in 2017-18 there was poor management.

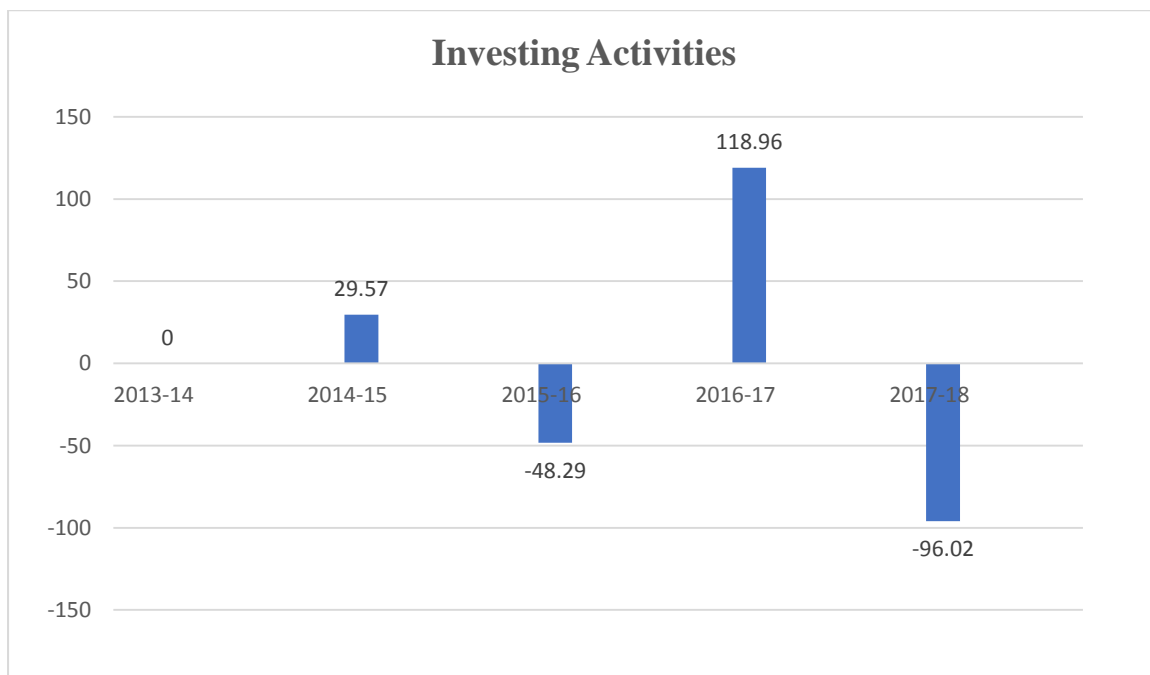
#### 4.7 Table showing Cash Flow from Investing Activities

Year	Cash Flows	Absolute Change	Trend Percentage
2013-14	(2,798.49)	100	-
2014-15	(3,626.05)	129.57	29.57
2015-16	(2,947.31)	81.28	-48.29
2016-17	(5,901.75)	200.24	118.96
2017-18	(6,150.80)	104.22	-96.02

#### Analysis

The above table shows the Trend Percentage for the year 2013-14 is 0, 2014-15 is 29.57, 2015-16 is -48.29, 2016-17 is 118.96, 2017-18 is -96.02.

#### 4.2 Graph showing Investing Activity



#### Interpretation

From the above graph it shows how the company is performing in Investing Activities, in the year 2014-15 there is increase but in 2015-16 there is decreasing to -48.29, in 2016-17 there is high growth but in the year 2017-18 the company is facing the decreasing stage.

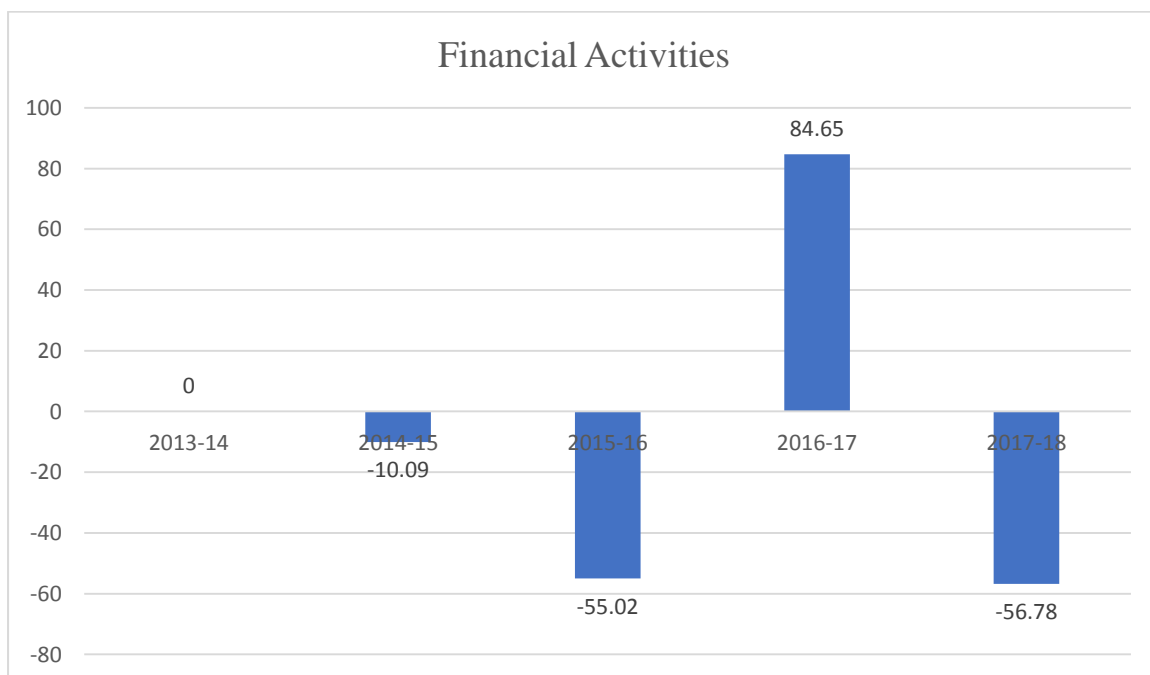
#### 4.8 Table showing Cash Flow from Financing Activities

Year	Cash Flow	Absolute Change	Trend Percentage
2013-14	(42,672.38)	100	-
2014-15	(38,368.41)	89.91	-10.09
2015-16	(13,386.87)	34.89	-55.02
2016-17	(16,003.80)	119.54	84.65
2017-18	(10,045.17)	62.76	-56.78

#### Analysis

The above graph shows the Cash Flow from Financing Activities in the year 2013-14 is 0, 2014-15 is -10.09, 2015-16 is -55.02, 2016-17 is 84.65, 2017-18 is -56.78.

#### 4.3 Graph showing Financial Activities



#### Interpretation

The above graph shows the Financial Activities of the company, the company is lacking in maintaining the financial activities in the year 2014-15 it is -10.09, in 2015-16 still in decreasing form but in the year 2016-17 it has growth and again in the 2017-18 it is decreasing.

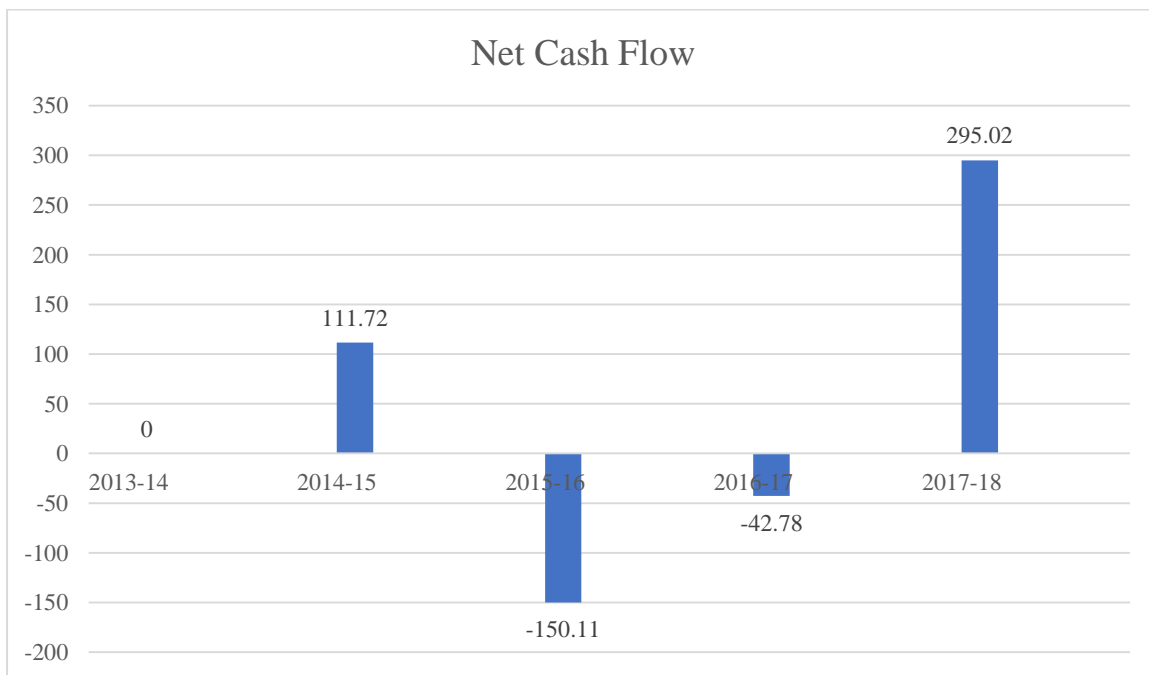
#### 4.9 Table showing Net increase/decrease in the Cash Flow

Year	Cash Flow	Absolute Change	Trend Percentage
2013-14	(6,068.97)	100	-
2014-15	12,849.53	211.72	111.72
2015-16	(7,916.84)	61.61	-150.11
2016-17	(1,095.69)	13.83	-47.78
2017-18	(3,384.12)	308.85	295.02

#### Analysis

The above shows the Trend Percentage of Net increase or decrease in the cash flow, in the year 2013-14 is 0, 2014-15 is 111.72, 2015-16 is -150.11, 2016-17 is -47.78, 2017-18 is 295.02.

#### 4.4 Graph showing Net Cash Flow



#### Interpretation

The above graph indicates the how the BEML is performing in the Net Cash flow, there is noideal net cash flow in the company. In the year 2014-15 it is increasing but in the year 2015-16 & 2016-17 the Net Cash flow is very less and in the year 2017-18 there is high increase.



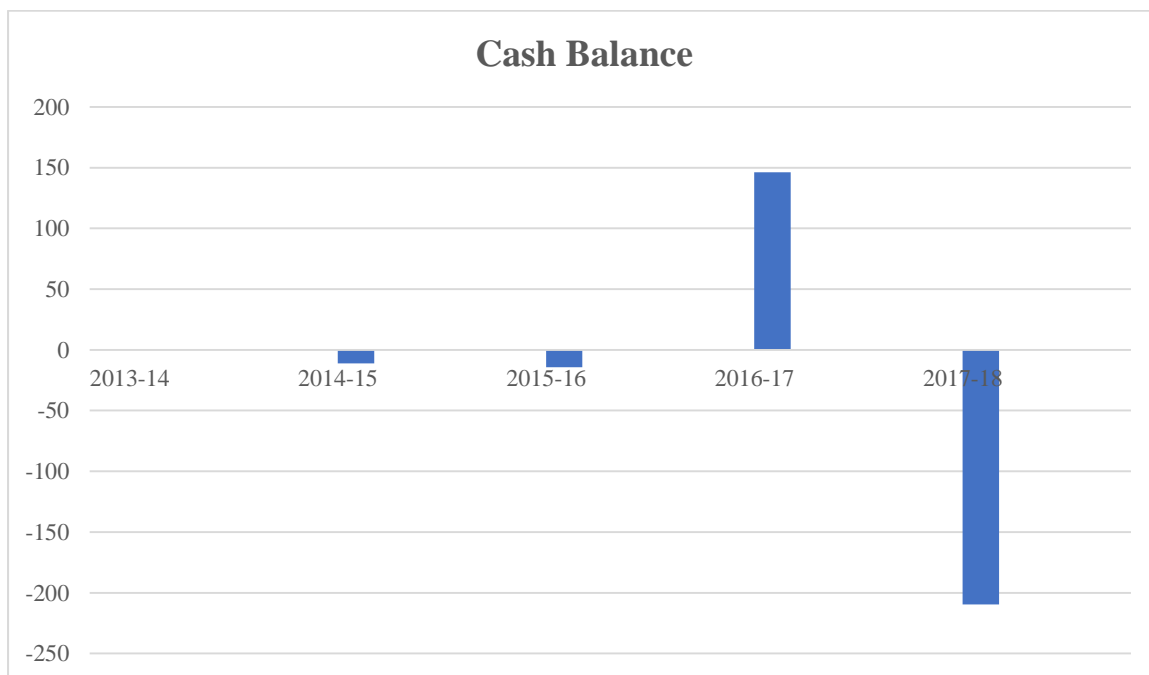
#### 4.10 Table showing the Cash Balance at the end of the year

Year	Cash Flows	Absolute Change	Trend Analysis
2013-14	(9,884.14)	100	-
2014-15	(8,788.45)	88.91	-11.09
2015-16	6,556.18	74.60	-14.31
2016-17	14,473.02	220.75	146.15
2017-18	1,623.43	11.21	-209.54

#### Analysis

The above show the Cash Balance for the year 2013-14 is 0, 2014-15 is -11.09, 2015-16 is -14.31, 2016-17 is 146.15, 2017-18 is -209.54.

#### 4.5 Graph showing the Cash Balance



#### Interpretation

The above graph shows the maintenance of Cash Balance by the company, in the year 2014-15 & 2015-16 the cash is reducing form but in 2016-17 the balance raised for the good extent and again in the 2017-18 there is huge decrease in maintaining the cash balance.

#### 4.11 Table showing the Sources and Application of Funds for the year 2013 & 2014

Sources of funds	2013	2014	Increase	Decrease
Sale of Fixed Assets	8.62	-	-	8.62
Interest Received	3,776.79	2,457.07	-	1,319.72
<b>Application of Funds</b>				
Proceedings of Soft Loan	-	2,087.00	2,087.00	-
Proceedings of Short term borrowings	7,258.97	-	-	7,258.97

#### Analysis

The above table shows that, Sale of Fixed Assets are decreasing, the rate of Interest received has decreased by 1,319.72, the soft loan has increased by 2,087 and the Short term borrowings are decreased by 7,258.97.

#### 4.12 Table showing the Sources and Application of Funds for the year 2014 & 2015

Sources of Funds	2014	2015	Increase	Decrease
Sale of property	4.16	15.75	11.59	-
Interest Received	2,457.07	938.66	-	1,518.41
<b>Application of Funds</b>				
Proceeding of Soft Loan	2,087.00	-	-	2,087.00

#### Analysis

From the table shows that there is increase in the sale of property in the year 2015, but the interest received is decreased to 1,518.41 compare to 2014 the soft loan has been decreased to 2,087.

#### 4.13 Table showing Sources of Application of Funds for the year 2015 & 2016

Sources of funds	2015	2016	Increase	Decrease
Sale of Property	15.75	117.30	101.55	-
Interest Received	938.66	757.20	-	181.46
<b>Application of Funds</b>				
Proceedings of Soft Loan	-	-	-	-

### **Analysis**

The above table shows that in 2016 there is increase in Sale of Property as compare to 2015 by 101.55 and the Interest received is decreased by 181.46 compared to 2015 this indicated the company is moving towards loss.

#### **4.14 Table showing the Sources and Application of Funds for the year 2016 & 2017**

<b>Sources of funds</b>	<b>2016</b>	<b>2017</b>	<b>Increase</b>	<b>Decrease</b>
Sale of property	88.55	23.81	-	64.74
Interest Received	720.56	492.44	-	228.12
<b>Application of funds</b>				
Proceeds of soft loan	-	337.28	337.28	

### **Analysis**

The above table indicates that the property sale by the company has not gained has compared to the previous year it has decreased by 64.74 and there is a decrease in receiving the Interest also but the soft loan has increased by 337.28.

#### **4.15 Table showing the Sources and Application of Funds for the year 2017 & 2018**

<b>Sources of funds</b>	<b>2017</b>	<b>2018</b>	<b>Increase</b>	<b>Decrease</b>
Sale of property	23.81	79.82	56.01	-
Interest Received	492.44	336.54	-	155.9
<b>Application of funds</b>				
Proceeds of soft loan	337.28	-	-	337.28

### **Analysis**

The above table shows that, there is income from the property sale in the year 2018 and interest earned is decreased and the proceeds of the soft loan has been Decreased by 337.28

## CHAPTER 5

### FINDINGS, SUGGESTIONS AND CONCLUSION

#### Findings

1. From the above study tells us the company's Operating Activities are in decreasing form. The company is not ideal in its operating format due to this the limited is facing the loss now a days.
2. The Investing Activities of the company in the 2014-15 is 29.57, 2015-16 is -48.28 which is in decreasing form it shows there is less investments in purchasing of the assets but in the 2016-17 it has increased to 118.96 but in 2017-18 it has again come down.
3. The Financial Activities are not ideal in the company it is in decreasing and increasing format each year. Only in the year 2016-17 there is growth in Financial Activities. This shows the company income through these activities are very less.
4. The Net increase and decrease of cash flows in the 2014-15 is 111.72, 2015-16 is -150.11, 2016-17 is -47.78 & 2017 -18 is 295.02, the cash flows of the company is raising and declining stage so there is no much inflow or outflow of the cash.
5. The Cash balance for the 2014-15 is -11.09, 2015-16 is -14.31, 2016-17 is 146.15 and in the 2017-18 is -209.54. Only in the year 16-17 the Cash balance is in positive balance remaining years company failed to maintain the balance of the company which shows the loss incurring the organization.
6. In the year 2013-14 the Sources of funds are in decreasing but Applications of funds are increased. If the company is lacking for the sources it may fail to meet the various requirements of the company.
7. In the year 2014-15 the Sources of funds, Interest received is 1,518.41 and Application of Funds, soft loan proceedings is 2,087. Applications of funds are more compared to Sources of funds, this may lead to lack of interest of Shareholders for investments.
8. In the year 2015-16 the Sources of Funds are more which has increased in the year, so this year is considered has the income.

## **Suggestions**

The study clearly exhibits the company's financial performance is not satisfactory or it had not maintained properly an ideal standards over the recent years. The following suggestions would be helpful in overcoming this crisis according to the observations:

### **Budget Committee:**

The existing budget committee should be of advisory nature. This will give a free hand to the various departments heads to express their ideas and carry forward various activities with zeal since the responsibility of achieving whatever they have suggested is vested with them. This makes them more responsible.

The budget committee must take up the following responsibilities

- Review and Receive the estimated budget from the respective departments and make recommendations.
- Recommend decision on budget preparation where there may be conflicts between departments.
- Receive periodic analysis reports comparing the budget to actual performance and various reasons if any to consider recommendations for change in budget policies and procedures.

### **Marketing departments:**

The problem of inaccurate estimation and frequent revision of sales production figures had to be overcome. For this the market potential has to be assessed on a continuous basis. Economic survey and statistical bulletins can also be made use of.

### **Development of quantitative methods**

The development of operational and mathematical models and computerized data processing systems should be adopted. The quantitative methods like PERT, CPM and CCP and sensitivity analysis will help the division in correctly estimating the various requirements.

## **Conclusions**

**BEML** is one of the mini ratna companies which has exclusively performed well at initial stages but over the recent few years the profitability and the growth of the company is collapsed to the greater extent for various reasons.

The financial performance of the concern is drastically declined and in the recent years it had also passed into the stage of face the loss, which is really a threat for the survival of the organization.

The financial position of **BEML** had made the investors mind to be shattered and their interest is threatened by the performance of **BEML** for the past few years but there is a scope for the revival of the hopes of the investors.

The declined growth of **BEML** has been a sorrowful issue among the population of **KGF**, since they had lost the similar concerned name **BGML** which brought glories to the economy of the nation.

Finally to conclude we can say that **BEML** is like sailing in a ship where the storms, waves and other perils are attacking very strongly, now it's the need of the captain(Government) to apply all its efforts and talents to overcome the crisis and successfully make everyone to reach the destination.

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Cost and Management Accounting: S.P Jain and K L Narang

Cash flow Analysis: Paul Newton and Helen Bristoll

Real estate Cash Flow Analysis: Douglas Rutherford

### **Website**

[www.bemlindia.com](http://www.bemlindia.com)



## Annexure

Table showing the BALANCE SHEET FOR THE YEAR ENDING 31<sup>st</sup> MARCH

Particulars	2018	2017	2016	2015	2014
<b>ASSETS</b>	□	□	□	□	□
<b>Non-current Assets</b>					
Property, plant	53,083.86	51,843.99	52,730.30	45,815.18	47,775.37
Capital work in progress	6,802.27	7,942.33	5,883.43	14,994.98	13,533.63
Intangible assets	5,201.39	5,242.26	1,715.58	1,415.24	2,094.25
Intangible assets under development	-	-	4,504.95	4,174.86	3,753.73
Financial assets					
• Investments	257.64	257.64	257.64	257.64	
• Loans	859.11	1,680.10	2,494.49	3,301.68	29,760.71
• Other financial assets	38.09	157.13	58.25	1.85	
Deferred tax assets	13,827.45	11,117.57	10,370.63	10,135.95	10,005.33
Other non-current assets	12,633.62	10,026.27	20,987.26	19,512.77	428.03
<b>Total non-current assets</b>	<b>92,703.43</b>	<b>88,267.29</b>	<b>99,002.53</b>	<b>99,610.15</b>	<b>1,07,608.69</b>
<b>Current Assets</b>					
Inventories	1,79,951.23	1,97,445.58	1,69,628.49	1,92,117.21	2,15,210.29
Financial Assets					
• Investments	43.68	51.83	62.14	80.02	129.06
• Trade Receivables	1,64,223.32	1,43,037.35	1,20,716.69	99,144.41	97,736.19
• Cash and Equivalents	233.52	1,401.02	6,578.99	14,487.18	1,623.49
• Loans	818.28	821.55	837.43	857.33	23,437.98
• Other Financial Assets	651.59	509.91	1,321.70	609.98	
Other Current Assets	28,841.70	37,905.85	38,265.72	54,708.36	30,337.73
<b>Total Current Assets</b>	<b>3,74,763.32</b>	<b>3,81,173.09</b>	<b>3,37,411.16</b>	<b>3,62,004.49</b>	<b>3,68,345.68</b>
<b>Total Assets</b>	<b>4,67,466.75</b>	<b>4,69,440.38</b>	<b>4,36,413.69</b>	<b>4,61,614.64</b>	<b>4,76,083.43</b>
<b>EQUITY AND LIABILITIES</b>					

Equity					
Equity share capital	4,177.22	4,177.22	4,177.22	4,177.22	4,177.22
Other equity	2,15,846.48	2,13,978.12	2,08,727.85	2,03,914.10	2,03,806.71
<b>Total equity</b>	<b>2,20,023.70</b>	<b>2,18,155.34</b>	<b>2,12,905.07</b>	<b>2,08,091.32</b>	<b>2,07,983.93</b>
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
Financial Liabilities					
• Borrowings	30,448.53	31,052.30	36,265.22	41,392.67	46,520.11
• Other financial liabilities	41.60	41.60	32.99	11.09	
Provisions	16,636.98	17,494.24	16,064.26	16,435.86	13,587.26
Other non-current liabilities	33,333.16	34,189.87	36,268.99	36,632.85	37,939.83
<b>Total non-current liabilities</b>	<b>80,460.16</b>	<b>82,778.01</b>	<b>88,631.46</b>	<b>94,472.47</b>	<b>98,047.20</b>
<b>Current Liabilities</b>					
Financial liabilities					
• Borrowings	13,501.78	11,285.16	15,367.44	17,531.27	43,943.21
• Trade payables	53,515.71	49,684.90	41,147.46	52,262.41	38,579.63
• Other financial liabilities	2,683.12	3,216.48	7,405.35	7,407.86	
Other Current Liabilities	62,055.99	88,077.06	56,069.27	69,604.48	75,892.21
Provisions	33,669.13	14,940.35	13,512.15	12,096.73	11,637.25
Current Tax Liabilities	1,557.05	1,303.08	1,375.49	148.10	
<b>Total Current Liabilities</b>	<b>1,66,982.78</b>	<b>1,68,507.03</b>	<b>1,34,877.16</b>	<b>1,59,050.85</b>	<b>1,70,052.30</b>
<b>Total Equity and Liabilities</b>	<b>4,67,466.75</b>	<b>4,69,440.38</b>	<b>4,36,413.69</b>	<b>4,61,614.64</b>	<b>4,76,083.43</b>

**Table showing the Statement of Profit and Loss**

<b>Particulars</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Revenues</b>					
Revenue including Excise duty	-	-	3,28,743.91	2,99,916.82	3,12,016.99
Less: Excise duty	-	-	30,371.88	18,997.75	20,865.59
Revenue from operations	3,30,541.86	2,83,465.88	2,98,372.03	2,80,919.07	2,91,151.40
Other income	2,489.68	6,244.95	3,902.18	5,950.42	6,338.95
<b>Total Income</b>	<b>3,33,031.54</b>	<b>2,89,710.83</b>	<b>3,02,274.21</b>	<b>2,86,869.49</b>	<b>2,97,490.35</b>
<b>Expenses</b>					
Cost of material consumed	1,72,544.32	1,34,573.17	1,47,371.24	1,37,335.86	1,61,421.76
Purchase in stock in trade	-	-	51.21	31.90	311.99
Changes in inventories of finished goods, stock in trade and work in progress	1,865.98	(12,509.24)	24,371.24	20,926.38	9,706.28
Employee benefits expenses	80,849.76	78,072.58	76,789.07	76,911.39	71,675.65
Finance costs	4,808.56	4,779.68	4,902.81	7,051.41	11,045.74
Depreciation and amortization expenses	6,423.84	6,197.79	5,321.38	5,213.76	5,355.81
Other expenses	50,159.61	68,767.77	36,648.91	38,748.92	36,719.59
<b>Total expenses</b>	<b>3,16,652.07</b>	<b>2,79,881.75</b>	<b>2,95,757.87</b>	<b>2,86,219.62</b>	<b>2,96,236.82</b>
Profit/ Loss before exception items and tax	16,379.47	9,829.08	6,516.34	649.87	1,253.53
Add / (Less): Exceptional items	-	-	-	14.66	1,588.63
Profit / Loss before prior adjustments	-	-	6,516.34	664.53	2,842.16
Add / Less prior adjustments	-	-	(89.11)	26.62	(1,933.94)
<b>Profit/Loss before tax</b>	<b>16,379.47</b>	<b>9,829.08</b>	<b>6,427.23</b>	<b>691.15</b>	<b>908.22</b>
<b>Tax expenses</b>					
1.Current tax	9,474.30	2,131.42	1,375.49	148.10	-

2.MAT credit entitlement	(3,329.54)	-	-	-	(78.09)
3.Deferred tax	(2,709.88)	(746.93)	(213.72)	(132.52)	518.51
Profit/ Loss for the year from continuing operations	12,944.59	8,444.59	-	-	-
Profit / Loss from discontinuing operations	-	-	-	-	-
Tax expense of discontinued operations	-	-	-	-	-
Profit / Loss from discontinued operations (after tax)	-	-	-	-	-
<b>Profit /(Loss) for the year</b>	<b>12,944.59</b>	<b>8,444.59</b>	<b>5,265.46</b>	<b>675.57</b>	<b>467.80</b>
Other Comprehensive Income			-	-	-
A(i) Items that will not be reclassified to profit or loss Re-measurement of defined liability/ asset	(10,806.28)	(1,512.15)	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	3,739.84	322.72	-	-	-
B (i) Items that will be reclassified to profit or loss	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
Total Comprehensive Income for the year	5,878.15	7,255.16	-	-	-
Earnings per equity share(Rs10/-each)	31.08	20.28	12.64	1.62	1.12



ACHARYA INSTITUTE OF TECHNOLOGY  
DEPARTMENT OF MBA

PROJECT(17MBAPR407) -WEEKLY REPORT

NAME OF THE STUDENT: POOJA REDDY K S  
INTERNAL GUIDE: Prof. Malika B.K  
USN: ITA17MBA43  
COMPANY NAME: BEML

WEEK	WORK UNDERTAKEN	EXTERNAL GUIDE SIGNATURE	INTERNAL GUIDE SIGNATURE
3 <sup>rd</sup> Jan 2019 – 9 <sup>th</sup> Jan 2019	Industry Profile and Company Profile	<i>E. Anusha Anam</i>	<i>[Signature]</i>
10 <sup>th</sup> Jan 2019 – 17 <sup>th</sup> Jan 2019	Preparation of Research instrument for data collection	<i>E. Anusha Anam</i>	<i>[Signature]</i>
18 <sup>th</sup> Jan 2019 – 25 <sup>th</sup> Jan 2019	Data collection	<i>E. Anusha Anam</i>	<i>[Signature]</i>
26 <sup>th</sup> Jan 2019 – 2 <sup>nd</sup> Feb 2019	Analysis and finalization of report	<i>E. Anusha Anam</i>	<i>[Signature]</i>
3 <sup>rd</sup> Feb 2019 – 9 <sup>th</sup> Feb 2019	Findings and Suggestions	<i>E. Anusha Anam</i>	<i>[Signature]</i>
10 <sup>th</sup> Feb 2019 – 16 <sup>th</sup> Feb 2019	Conclusion and Final Report	<i>E. Anusha Anam</i>	<i>[Signature]</i>

Company Seal



College Seal

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