

PROJECT REPORT ON
(16MBAPR407)

A STUDY ON BUDGETARY CONTROL OF BHARAT
ELECTRICALS LTD. BANGALORE

BY

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(1AZ16MBA25)

Submitted to

VISVESVARAYA TECHNOLOGICAL UNIVERSITY,
BELAGAVI



In partial fulfilment of the requirements for the award of the degree of
MASTER OF BUSINESS ADMINISTRATION
Under the Guidance of

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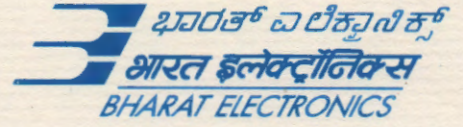
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MAY 2018

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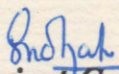
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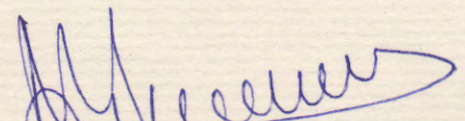
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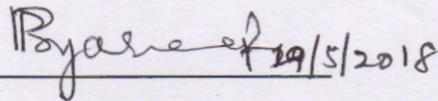
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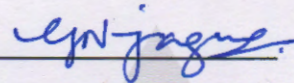
Date: 19/05/2018

CERTIFICATE

This is to certify that **Ms. Jamuna N S** bearing USN **1AZ16MBA25** is a bonafide student of Master of Business Administration course of the Institute 2016-18 batch, affiliated to Visvesvaraya Technological University, Belgaum. Project report on “**A Study on Budgetary Control of Bharat Electricals Limited Bangalore**” is prepared by her under the guidance of **Dr. Prakash B Yaragol** in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belgaum, Karnataka.

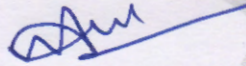

19/5/2018

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Signature of Principal

PRINCIPAL

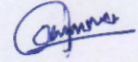
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ACHARYA

DECLARATION

I JAMUNA N S Hereby declares that the project report entitled **A study on Budgetary Control of Bharat Electronics Limited, Bangalore** prepared by me under the guidance of **Dr. Prakash B Yaragol** of M.B.A Department **ACHARYA INSTITUTE OF TECHNOLOGY** and external assistance by **Mrs. Sudha (DGM)** and **Mrs.Prathibha (DM)** also declares that this project work is towards the partial fulfilment of the university regulations for the awards of degree of Master of Business Administration in Visveswaraya Technological University Belgaum. I have undergone a project for the period of ten weeks. I further declare that this project is based on the original study undertaken by me and not has submitted for the award of any degree/ diploma from any other university/institution.

Place: *Bangalore*
Date: *28-05-2018*



Jamuna N.S.

1AZ16MBA25

ACKNOWLEDGEMENT

I would like to thank all of those who have helped and supported me in completing this project successfully.

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I take this opportunity to thank our internal guide **Dr. Prakash B Yaragol** for his constant guidance in completing the project.

Finally, it gives me great pleasure to extend my thanks to my Parents, Family, Friends and all Teaching staff and Non-Teaching staff who have been instrumental either directly or indirectly for this constant encouragement in carrying out this project successfully.

Place:

JAMUNA N S

Date:

(1AZ16MBA25)

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EXECUTIVE SUMMARY

Budgetary control is a critical viewpoint for the improvement of any organization since it gives measuring stick by which the genuine execution is measures. It causes the best administration to take proper choice to propel and coordinating their staff towards well set designs and goals of the organization. Budgetary control is a most effective device to the administration for playing out its capacity like figuring the plans, planning the exercises and controlling the activities and so on adequately and in addition productively.

The examination was embraced on BUDGETARY CONTROL to decide the proficiency and adequacy of budgets in BHARAT ELECTRONICS LIMITED.

Bharat Electronics Limited is a state owned public venture, began on 1954 at Bangalore under the Ministry of Defence, Government of India. It was built up to meet the particular requirements of the Indian defence services, offering an extensive variety of defence items for Indian armed force, naval force and aviation based armed forces.

In this project an exertion has been made to examine the viability of the budgetary control framework took after by BEL. The goal is to think about the Budgeting procedure and Budgetary control framework and to recognize the reasons, which have prompted the deviations if any in the ways and techniques by which the deviation can be stayed away from later on course of business.

The methodology adopted is descriptive research. The examination was led through gathering essential information as dialog with concerned people and auxiliary information was acquired from organizations Budget manuals, Annual records and company site.

This undertaking contains data with respect to different kinds of budget relating to BEL, Bangalore. It covers all sort of budget prepared at BEL to be specific Revenue budgets like Operating Estimates budgets, Inventory budgets, cash budgets, research and development budgets, foreign exchange budgets, projected balance sheet and Capital budgets.

As the budget is assuming a critical part in any organization which contrasts the actual performance and the budgeted performance, this investigation uncovers the implication of budgetary control and furthermore give the data about the diverse parts of budget.

CHAPTER 1

INTRODUCTION

INDUSTRY PROFILE

DEFENCE AND AEROSPACE INDUSTRY IN INDIA

DEFENCE INDUSTRY OF INDIA

The Defence Industry of India is a deliberately imperative segment in India. With quality of more than 1.3 million dynamic faculty, it is world's third biggest military power and has the world's biggest volunteer armed force. India has the third biggest military on the world and is the 6th greatest defence spender. The 'Make in India' activity by the Government is concentrating its endeavours on expanding indigenous defence manufacturing and getting to be independent. The Department of defence Production (DDP) was set up in November 1962 with the goal of building up a thorough generation framework to deliver the weapons/frameworks/stages/hardware's required for defence. Throughout the years, the Department has built up far reaching generation offices for different defence equipment's through the Ordnance Factories and Defence Public Sector Undertakings (DPSUs).

Make in India

The Modi government in its first year cleared 39 capital acquirement recommendations, of which 32 propositions worth ₹899 billion (US\$ 14 billion) (or 96% of significant worth aggregate recommendations) were ordered as Buy (India) and Buy and make (India)- the best two organized household industry-driven acquisition classes according to the Defence Procurement Procedure(DPP).

In July 2015, the defence service facilitated export regulations and quit requesting different confirmations on end-use from foreign governments notwithstanding available to be purchased of parts by Indian entities.

There are a few Indian SMEs that oblige the Defence business by providing sub-congregations and segments and giving administrations like system integration. Under the make in India activity, these associations are set to improve their assembling and advancement productivity, in this manner adding to making India independent in defence generation. A portion of the frameworks Integrators obliging the Defence area in India are Mistral Solutions, Alpha Designs, Astra Microwave and SLN Technologies among others.

AEROSPACE INDUSTRY OF INDIA

The Indian aeronautic trade is seeing an unpredictable development. Indian Air Force is on a direction of modernisation and is changing itself into a vital aviation control with full-range ability. Capacity improvement through new acquisitions, supplanting of out of obsolete equipment with cutting edge enlistments and update of inheritance weapon stages has been taken up to reinforce operational potential and adequacy. Prospective acceptances of the Rafale air ship, assault helicopters, overwhelming lift

helicopters, compel enhancers, Surface to Air Guided Weapon (SAGW) and Air Defence Radars, hold awesome guarantee for future. Additionally, it has involved incredible national pride, to usher in the principal Tejas squadron of the IAF. At the same time, Air craft framework modernisation program and up-degrees in communication network have fortified the help structure for compelling operation. While undertaking its modernisation, the IAF has played a dynamic and maintained part in the "Make in India" design, to take forward indigenous generation of battle airplane, helicopters, weapon sensors and systems, other than other flight gear. A vibrant and prospering domestic aeronautics capacity would give key military freedom and lift economic development.

Independence in aerospace sectors is a noteworthy key outcome region for the IAF. Endeavour's in field of R&D and in addition producing sectors have been ventured up, keeping in mind the end goal to decrease dependence on foreign sources. To give a lift to 'Make in India' activity and accomplish self-reliance in defence manufacturing sector, most astounding need has been given to equipment manufacture in India.

Make in India: Modernisation design is being sought after with a plan to offer driving force to indigenisation and to augment the defence producing base and the eco framework. IAF has as of now identified series of defence product that can be produced under 'Make in India'. Ministry of Defence is additionally considering to incorporate the private sector manufacturing defence products, assembling of Ka226 T helicopters, suitable contender fighter aircraft and so on which will offer driving force to 'Make in India' activity and this has produced huge enthusiasm among worldwide defence elements to begin manufacturing in India. This won't just produce work and improve ability level, yet in addition help with outfitting key innovations for development of defence division in the nation.

COMPANY PROFILE

COMPANY NAME	BHARATH ELECTRONICS LIMITED
TRADED AS	BSE: 500049 NSE: BEL
INDUSTRY	AEROSPACE & DEFENCE
FOUNDED	BANGALURU, KARNATAKA, INDIA IN (1954)
HEADQUARTERS	BANGALURU, KARNATAKA, INDIA
NUMBER OF LOCATIONS	NINE MANUFACTURING UNITS LOCATED IN INDIA
KEY PEOPLE	M V GOWTAMA (CHAIRMAN & CEO)
PRODUCTS	AVIONICS, RADARS, WEAPONS SYSTEMS, C41 SYSTEMS, ELECTRONIC VOTING MACHINES, ETC.
OWNER	GOVERNMENT OF INDIA
OVERSEAS OFFICE	SINGAPORE, NEWYORK
PLANT SIZE (BANGALORE)	700 ACRES (BG.CX)

History of BEL

In 1954, in a recently independent India, the need was most extreme to create indigenous industry. The fantasy of a self-reliance India provided for some Public Sectors Undertakings. BEL was one such dream, which has made some amazing progress from that point forward with the far-located vision of its pioneers, the commitment and diligent work of its representatives, support and confidence of its clients and the government of India. The Government's clarion calls for 'Make in India' reverberates with what BEL has been effectively improving the situation more than 6 decades.

Beginning from a solitary unit in Jalahalli, Bangalore, BEL has built up its quality the nation over by setting up eight different Units – in Ghaziabad, Pune, Machilipatnam, Panchkula, Kotadwara, Navi Mumbai, Chennai and Hyderabad. Every Unit has a particular item blend and client center. BEL has set up wide system workplaces and administration focuses countrywide and in addition two abroad workplaces at New York and Singapore.

BEL was built up to meet the particular electronic hardware prerequisites of the Indian Defense administrations. While this keeps on being its prime concentration, the Company has a critical nearness in the civilian market, as well. BEL exports portion of its items and administrations to various nations too.

BEL has likewise been laying extraordinary accentuation on Research and Development appropriate from the early years. It has additionally possessed the capacity to effectively accomplice as production agency with numerous DRDO labs. From a small turnover of ₹.2 lakhs in 1956-57, BEL has developed complex to record a turnover of 7,510 crores(provisional) in 2015-16.

BEL isn't just a fruitful business story yet in addition an association which administers to individuals and society. Indeed, even before the term 'Corporate social' Responsibility picked up cash, BEL has embraced countless CSR exercises and keeps on doing them with a ton of energy and duty. BEL has setup education institution, including an exceptional school for the mentally challenged. It has likewise set up hospitals, expressive arts clubs and games offices. These and other welfare activities guarantee an employee and for their representatives. A portion of these offices additionally serve the local community. BEL is as of now focusing on promoting education, sanitation, social insurance, rural improvement, employment and upgrading professional aptitudes, while guaranteeing environment maintainability.

'clean and green' is valid for each Unit of BEL. Worry for the earth is obvious in the lavish greenery in every one of the Units. A forestation, emanating treatment, utilized water reusing, generation and utilization of bio gas, rainwater harvesting, green structures, setting up and utilizing wind energy and solar energy power plants, to give some examples, are a portion of the exercises toward this path.

VISION

“TO BE A WORLD-CLASS ENTERPRISE IN PROFESSIONAL ELECTRONICS.”

MISSION

“TO BE A CUSTOMER FOCUSED, GLOBALLY COMPETITIVE COMPANY IN DEFENCE ELECTRONICS AND IN OTHER CHOSEN AREAS OF PROFESSIONAL ELECTRONICS, THROUGH QUALITY, TECHNOLOGY AND INNOVATION.”

VALUES

- Putting customers first.
- Working with straightforwardness, validity and respectability.
- Trusting and with respect to individuals.
- Fostering collaboration.
- Striving to achieve high labourer satisfaction.
- Encouraging versatility and improvement.
- Endeavouring to fulfil social commitments.
- Proud of being a bit affiliation

OBJECTIVES

- To be a buyer focused establishment providing state-of-the-art products & solutions at competitive values, meeting the demands of quality, distribution & service.

- To deliver internal resources for valuable advancement.
- To achieve inventive expert in Défense Electronics through in-house R&D, Organization with monitor/ask about research focuses and academic establishments.
- To offer trust to export.
- To create a facilitating environment for employees to realise their full potential through continuous learning & team work.
- To persistently benchmark association's execution with best-in-class all around.
- To raise promoting abilities to overall standards.
- To try freedom through indigenisation

QUALITY POLICY

We are dedicated to constantly deliver enhanced value to our clients, through continual enhancement of our products and processes.

PRODUCTS /SERVICES PROFILE



DEFENCE

1. DEFENCE COMMUNICATION PRODUCTS
2. LAND –BASED RADARS
3. NAVAL SYSTEMS
4. ELECTRONIC WAREFARE SYSTEMS
5. AVIONICS
6. ELECTRO OPTICS
7. TANK AND ARMOURED FIGHTING VEHICALE ELECTRONICS SYSTEMS
8. WEAPON SYSTEMS
9. C4I SYSTEMS
10. SHELTERS & MASTS
11. SIMULATORS
12. BATTERIES
13. COMPONENTS/DEVICES

NON-DEFENCE

1. E-GOVERNANCE SYSTEMS
2. HOMELAND SECURITY
3. CIVILIAN RADARS
4. TURNKEY PROJECTS
5. COMPONENTS/DEVICES
6. TELECOM, BROADCAST SYSTEMS

AREAS OF OPERATION

Manufacturing Units of BEL

1. BANGALORE
2. GHAZIABAD
3. PUNE
4. MACHILIPATNAM
5. PANCHKULA
6. CHENNAI
7. KOTDWARA
8. HYDERABAD
9. NAVI MUMBAI

SUBSIDIARYS OF BEL

1. BEL Optronics Devices Limited
2. BEL-Thales Systems Limited

SHAREHOLDING OF PROMOTERS

Shareholders Name	No. of Shares	% of total shares of the company	% of Shares pledged/encumbered to total shares
President of India	1,523,039,911	68.19	0.00
Prem Kumar Kataria	3000	0.00	0.00
Total	1,523,042,911	68.19	0.00

**FUTU
RE**

GROWTH AND PROSPECTS

Government's more noteworthy accentuation on "Make in India" activity in defence division gives a more noteworthy chance to the organization to upgrade its indigenization endeavours and to address the open doors in India Defence area.

BEL is focusing on a sound development of 12-15% amid the year 2017-18. Modernization and making a few world-class offices for R&D, testing, creation and expertise improvement are anticipated accomplishing the focused-on development. In the civilian segments BEL is seeking after business in the

field of Solar Energy, Homeland Security, Smart City components, Smart Cards, Cyber Security, Telecom and Space Electronics. The defence sectors are being opened up for private segment investment with advancements of defence acquirement method. The legislature is additionally arranging presentation of "strategic partnership" show for more extensive investment of private division and furthermore to improve the limits in real defence stage producing notwithstanding DPSUs. This has pushed the organization towards considerably higher intensity and efficiency through activities for improving worth expansion. It is critical for BEL to remain side by side of innovation and grow new products consistently. The organization is additionally laying more noteworthy accentuation on working intimately with DRDO labs, other research foundation and academic establishments and also niche technology organizations for improvement of new products and frameworks.

INFRASTRUCTURE FACILITIES

BEL being a public-sector undertaking has great infrastructure facility. It has set up great infrastructure and assembling offices in their 9 ISO Certified Production Units around the nation. BEL's Bangalore Complex, traverses a region of 700 sections of land and housed state of art hardware for doing configuration, assembling and testing of items. It includes great foundation inside the workplace with modem machines, which causes the laborers to work effectively with new innovation. The Centre for Learning and Development (CLD) has a decent library with the most recent books, diaries kept up to International Standards in different fields. The organization has all around kept up preparing corridors. The organization runs very much prepared containers to give lunch, snacks and so on, to the employees. All around prepared First Aid confines all offices. Two Medical focuses/rescue vehicle room is situated inside the manufacturing plant, effective transport office is given in all movements to employees, a quarter's offices, all around prepared both indoor and open-air stadium, school and school offices to the children of workers. A crèche with every single present-day office has been accommodated the advantage of the children of women employees working in BEL

Modernisation and Expansion of infrastructure & facility:

The organization has been contributing altogether towards modernisation and development of its infrastructure to meet the business needs of the organization. BEL is intending to spend around ₹2,500 Crores in next 3-4 years as a component of limit development and modernisation of it offices in accordance with the development designs. A portion of the significant projects incorporate Defence Systems Integration Complex at Palasamudram, EO producing office at Nimmaluru and EW test run at Irahimpatnam and so on.

COMPETITORS FOR BHARAT ELECTRONICS LTD

- Larsen & Toubro.
- Tata Advance Systems.
- Tata Power SED.

- Mahindra Defence Land Systems.
- Reliance Defence and Engineering Limited.

SWOT ANALYSIS

STRENGTHS

- Established Defence Electronics player in India
- Good picture and reputation
- Good dedicated mentalities
- Strong multi layered in-house R&D for development and new thing progression
- Joint progression with development partners for equal advances
- Committed work compel with incredible structure and amassing workplaces
- Well-developed structures and strategies including ERP
- Decades of experience achieving excellent space learning and focus abilities in Defence equipment
- Wide product run with strong thing reinforce mastermind
- Strong relationship with prepared Services, Defence labs and government associations
- Loyal customer base
- Active picking up from domestic and outside accomplices
- Experience and capacity in executing considerable and complex systems mix wanders
- Financially strong and always advantage making
- Long term duty with respect to customers

WEAKNESSES

- Gaps in a segment of the new development regions
- Conservative approach in Business Development and displaying
- Dependence on Defence promote

OPPORTUNITIES

- Growing Defence and Security needs
- Government's highlight on Make in India for make of assurance kinds of apparatus
- Growing Defence spending assignment towards modernisation and refresh programs
- Growing openings in Maintenance, Repair, Overhaul and Upgrade programs
- Increased boost on modernisation of central paramilitary forces

THREATS

- Increasing contention from Indian private industry and foreign OEMs joining their JVs in Defence part

- Rapid changes in advancement
- Difficulty in sourcing couple of fundamental advances
- Policy interventions favouring private territory

Financial statements & performance highlights

[Rs. In Lakhs]

PARTICULARS	2015-16	2014-15
Value of Production	778209.47	665854.35
Turnover (Gross)	752164.14	669456.53
Profit Before Tax	180914.47	146668.67
Profit Before Depreciation, Finance cost & tax	198257.29	162203.54
Finance cost	450.08	138.38
Depreciation	16892.74	15396.49
Profit Before Tax	180914.47	146668.67
Provision for Tax	45147.88	29944.58
Profit After Tax	135766.59	116724.09
(+) Balance brought forward from previous year	343461.64	296682.52
Balance available for Appropriation	47928.23	413406.61
Interim Dividend Paid	6000.00	4800.00
Proposed Final Dividend	34800.00	18560.00
Tax on Dividend	8305.92	4738.10
Transfer to General Reserve	40000.00	40000.00
Transfer to Capital Reserve	2.17	-
Other appropriation	1780.22	1846.87
Reserves & Surplus	849383.34	780502.89
Net Worth	873383.34	788502.89
Earnings Per Share (in Rs)*	56.57	48.64
Book Value Per Share (in Rs)*	363.91	328.54

CHAPTER 2

CONCEPTUAL BACKGROUND AND LITERATURE REVIEW

THEORITICAL BACKGROUND OF THE STUDY

BUDGET

The term '**BUDGET**' seems to have been gotten from French word 'baguette' which signifies 'little bag', or a holder of reports and accounts. A financial plan or budget is an accounting design it is a formal arrangement of activity communicated in money related terms. It could be viewed as a statement of expected income and expenses under certain foreseen working conditions. It is a qualified arrangement for future exercises quantitative blue print for activity. Each organization accomplishes its motivation by planning diverse exercises. For the execution of objectives proficient planning of these exercises is imperative and that is the reason management has a significant part to play in drawing out the plans for its business. Different exercises inside an organization ought to be synchronized by the planning of plans of action for future periods. These complete plans are generally referred to as a budget.

BUDGETING

Budgeting is the procedure of preparation, execution and operation of budgets decision into particular anticipated financial plans for generally brief timeframes. As such, budgeting is the way toward "translating financial resources into human purposes" (Wildavsky, 1986). budgeting is additionally seen as a procedure of identifying, assembling, summarizing and conveying financial data of an association's future activity. **BUDGETARY CONTROL**

Budgetary control is a method of managing costs through preparation of budgets. Budgeting is thus only a part of the budgetary control. According to CIMA, "Budgetary control is the establishment of budgets relating to the responsibility of executives of a policy and the continuous comparison of the actual with the budgeted results, either to secure by individual action, the objective of the policy or to provide a basis for its revision."

The primary highlights of budgetary control are:

- Establishment of budgets for each reason for the business.
- Revision of budgets in perspective of changes in conditions.
- Comparison of actual performance with the budget consistently.
- Taking reasonable remedial action, wherever vital.
- Analysis of various of actual performance from that of the budgeted performance to know the reason thereof

BUDGET AND ITS ROLES

A budget, if made and utilized legitimately, can give important data about the bearing, resources and desires of the association. Budget is portrayed as a fundamental part of administration control frameworks

that goes for advancing coordination and correspondence among subunits inside the organization, gives a system to judging execution lastly inspiring managers and different employees (Horngren et al, 2005).

The possibility of various employments of budgets in associations isn't new. To fill in as a compelling apparatus, budget seeks after various undertakings, for example, planning, determining, controlling, coordinating, conveying, instructing, approving, motivating, designating, instructing, assessing execution, encouraging basic leadership and overseeing subordinates.

- **Means of Forecasting and Planning:** One of the capacities served by most budgets is that of forecasting and planning. forecasting alludes to the expectation of occasions over which the association has practically no control of while arranging is the endeavor to shape the future by adjusting those wild factors in the light of forecasts. Given an arrangement of forecast, the budget display can work in an upgrading part, endeavoring to discover which design of activity will bring about the best advantage of the association. Since planning is at the core of a budgeting procedure, by utilizing the budgeting procedure constantly, organizations can design widely on the best course of action to accomplish the association's objectives. As a planning help, budgets take into account the refinement and evaluation of the long term marketable strategy into here and now activity designs whereby elective arranging situations might be inspected and an "imagine a scenario in which" investigation connected. Without the yearly budgeting process, the weights of day-today working issues may entice managers not to anticipate future activities (Drury, 2001). The budgeting procedure urges managers to suspect issues previously they emerge, and hurried choices that are made on the last minute, in light of practicality as opposed to contemplated judgment, will be limited (Drury, 2001).
- **System for Authorization:** The duty of every manager is made sufficiently clear as the budget would generally depict the measure of resources and level of expert managers require and need to accomplish the association's objectives. In this way, budgets fill in as a formal approval for a manager to spend a given measure of cash on particular exercises. In this regard, budgets are utilized to guarantee that authoritative resources are used in the most gainful and beneficial route, to accomplish productivity required for the business tasks accordingly lessening expenses and raising benefit (Australian Society of CPA, 1999). Such an arrangement of approval must be bolstered by a reasonable duty structure adopted by the company.
- **Channel for Communication and Coordination:** Evidently, budgets are a critical channel of imparting certain sort of data that will empower directors in various parts of the association to be completely educated of the arrangement and approaches, and limitations, to which the association is relied upon to acclimate. Through the budgeting procedure, top administration conveys its desires to the lower level administration, with the goal that individuals from the association may comprehend these desires and can facilitate their exercises to accomplish them (Drury, 2001). Fundamentally, arrangement of the budgets encourages the exchange of essential data among all

levels in the association and accordingly, level of communication is more upgrade amid the budgeting procedure.

- The co-appointment of business exercises will be supported through the budgeting procedure. Considering that all activities of the distinctive parts of the association are united and accommodated into a typical arrangement, the budgeting procedure help to tie an association together towards the accomplishment the association's objective. With no direction, chiefs may each settle on their own choices, trusting that they are working to the greatest advantage of the association (Drury, 2001). Budgeting propels directors to look at the interrelationships and reliance among various parts of the association, and all the while, to recognize and resolve clashes.
- **Motivational Device:** The budget can be a valuable device for affecting administrative conduct and rousing administrators to perform in accordance with the organizational objective (Drury, 2001). A budget gives a standard that in specific situations may spur managers to endeavour to accomplish the standard. In any case, it is feasible for manager to see the budget as a pressure device in attempting to inspire them to accomplish a level of execution that they don't see as achievable. By and by, inspiration would be improved through the sentiment inclusion which support in the budgeting procedure can advance. On the off chance that people have effectively taken an interest in setting up the budget, and it is utilized as an apparatus to help managers in dealing with their units, budget can go about as a solid motivational device by giving a challenge (Drury, 2001).
- **Means of Performance Evaluation and Control:** A budget helps managers in overseeing and controlling the exercises for which they are capable. The control of business exercises might be helped through the examination and quantitative estimation of genuine outcomes against the budget design. By doing this, managers can determine which exercises don't comply with the first plan and require their consideration. By exploring the purposes behind the deviations, managers might have the capacity to distinguish wasteful aspects (Drury, 2001). Thus, suitable control and remedial move can be made to cure the circumstance (Drury, 2001).

CHARACTERISTICS OF BUDGET

As expressed before, a budget is an outline for management activity. The accompanying are the basic highlights of budget:

- **A budget is quantitatively expressed:** The figures in the budget are communicated in money related terms. Be that as it may, the money related figures are upheld by non-fiscal data, for example, units to be sold, units to be bought and others.
- **A budget is set up ahead of time:** A budget must be drawn up before the period to which it alludes. Figures created amid or after the period might be critical, yet they are not some portion of a budget.

- A budget identifies with a specific period: Generally, the budget is set up for one year. In any case, on account of an occasional business, there might be two budgets for every year – a slack season budget and a pinnacle season budget.
- **A budget is an arrangement of activity:** A budget is an arrangement since it concerns moves to be made instead of a detached acknowledgment of future patterns. Arranging is the foundation of goals and the plan, assessment and determination of the arrangements, techniques, strategies and activity required to accomplish the targets. Like all designs, budget only occasionally end up being thoroughly right expectations without bounds. Conditions may change amid the budget time frame, which renders the budget to be incorrect. All things being equal, budget is valuable in controlling the activities of chiefs.
- **A budget is an estimation or forecast of benefit potential:** The budget forward the costs and incomes arranged amid the spending time frame and in this way uncovers its profit potential.

OBJECTIVE OF BUDGETARY CONTROL

1. **Planning:** planning has been characterized as the plan of a coveted future position for a entity and it lays on the conviction that the future position can be achieved by continuous administration activity. Point by point plans identifying with production, sales, raw material prerequisites, work needs, capital augmentations, and so on are drawn out. By planning numerous issues evaluated well before they emerge and arrangement can be thought of through cautious investigation. To put it plainly, budgeting powers the administration to think ahead, to predict and get ready for the foreseen conditions. Arranging is a steady procedure since it requires consistent modification with evolving conditions.
2. **Co-ordination:** budgeting assumes a critical part in setting up and look after coordination. Budgeting helps administrators in organizing their endeavors so issues of the business are unraveled in congruity with the destinations of its divisions. Proficient arranging and business contribute a great deal in accomplishing the objectives. Absence of co-appointment in an association is watched when an office head is allowed to augment the division on the particular needs of that department only, albeit such advancement may adversely influence different offices and change their performance. Hence, co-appointment is required at all vertical and also flat levels.
3. **Measurement of success:** Budgets introduce a valuable method for advising managers how well they are performing in meeting targets they have beforehand set. In numerous organizations, there is a routine with regards to compensating workers based on their proficient low budget targets or advancement of a manager is connected to his budget achievement record. Achievement is dictated by contrasting the past execution and a past period's execution.
4. **Motivation:** Budget is constantly viewed as a valuable apparatus for urging managers to finish things in accordance with the business destinations. In the event that people have seriously taken an interest in the preparation of budgets, it goes about as a solid motivating power to accomplish the objectives.

5. **Communication:** A budget fills in as a method for conveying data inside a firm. The standard budget duplicates are appropriated to all administration individuals that gives not just adequate comprehension and information of the programs and rules to be taken after yet in addition gives knowledge about the limitations to be achieved to.
6. **Control:** Control is fundamental to ensure that designs and targets set down in the budget are being accomplished. Control, when connected to budgeting, as a systematized exertion is to keep the administration educated of whether arranged execution is being accomplished or not.

ADVANTAGE OF BUDGETARY CONTROL:

In the light of above discussion, one can see that, coordination and control help the planning. These are the upsides of budgetary control. In any case, this device offers numerous different favorable circumstances as takes after:

1. This framework gives essential strategies to activities.
2. It empowers the administration to perform business in the most expert way since budgets are set up to get the ideal utilization of assets and the goals surrounded.
3. It guarantees cooperation and, in this way, empowers the soul of help and common comprehension among the staff.
4. It builds creation efficiency, disposes of waste and controls the expenses.
5. It shows to the administration where activity is expected to remedy a position.
6. Budgeting likewise helps in acquiring bank credit.
7. It audits the current circumstance and pinpoints the progressions which are important.
8. With its assistance, errands, for example, such as planning, coordination and control happen viably and effectively.
9. It includes an early planning which is viewed with help by numerous credit agencies as a marker of sound administration.

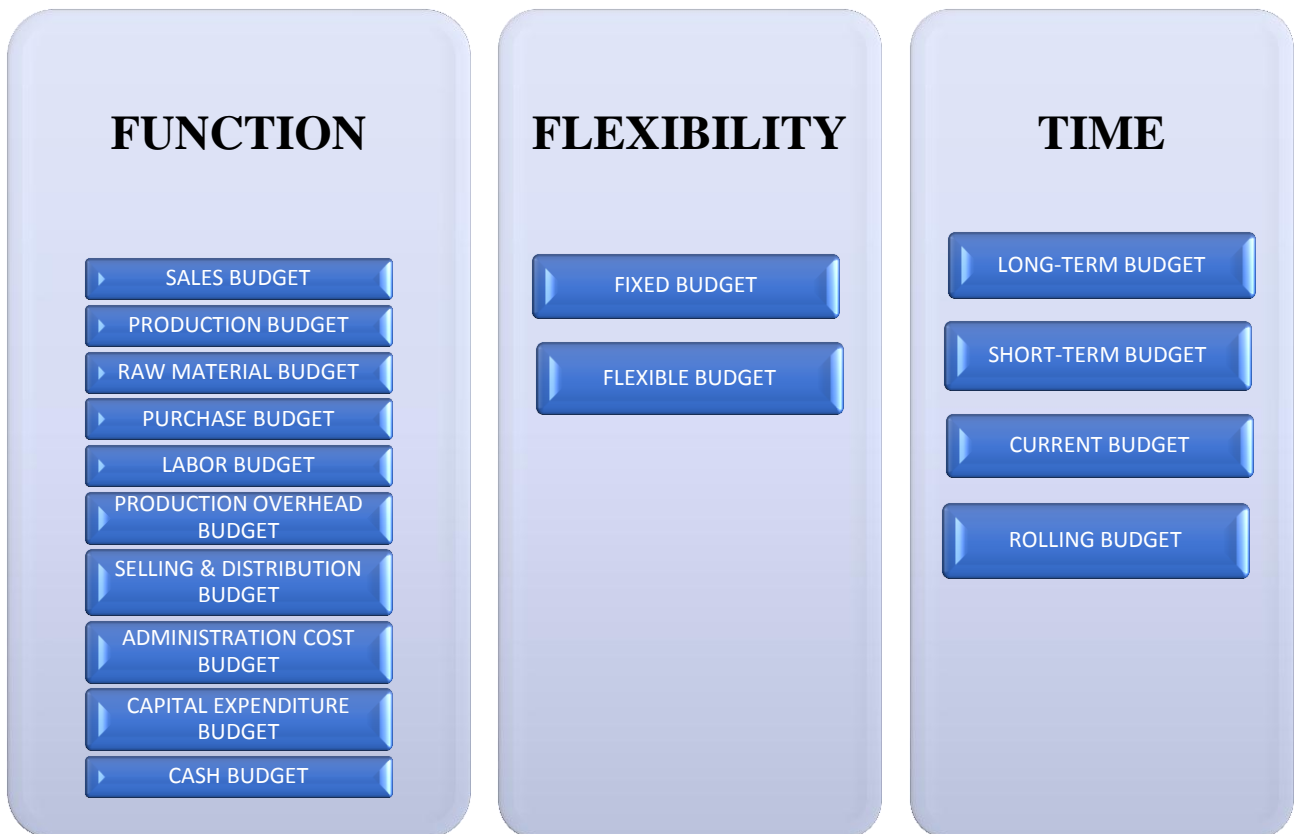
LIMITATIONS OF BUDGETARY CONTROL:

1. It has a tendency to achieve unbending nature in task, which is destructive. As budget estimates are quantitative articulation of every single relevant data, here is a propensity to join a type of inflexibility or irrevocability to them.
2. It being costly is past the limit of small undertaking. The instrument of budgeting framework is a detailed process including excessively time and expenses.
3. Budgeting can't take the situation of administration however it is just an instrument of administration. 'The budget ought to be viewed as not as an ace, but rather as a worker.' It is absolutely confusion to believe that the presentation of budgeting alone is sufficient to guarantee achievement and to security of future benefits.
4. It at times prompts create clashes among the managers as every one of them tries to assume acknowledgment to accomplish the budget targets.

5. Simple planning of budget won't guarantee its appropriate execution. On the off chance that it isn't executed legitimately, it might bring down resolve.

6. The establishment and capacity of a budgetary control framework is an exorbitant issue as it requires utilizing the particular staff and includes other use which small organization may discover hard to bring about.

CLASSIFICATION OF BUDGET:



ESSENTIALS OF BUDGETARY CONTROL:

- Organization for Budgetary Control
- Budget Centres
- Budget Manual
- Budget Officer
- Budget Committee
- Budget Period
- Determination of Key Factor.

ORGANIZATION FOR BUDGETARY CONTROL:

Great organization is fundamental for the planning, upkeep and organization of budgets. A budget council is framed, which incorporates departments from various divisions. Every single useful supervisor is in charge of guaranteeing the best possible execution of their particular departmental budgets.

BUDGET MANUAL:

A budget manual is a record which illuminates the obligations and furthermore the duties of different officials worried about the budgets. It determines the relations among different functionaries

BUDGET OFFICER:

The Chief Executive, who is at the highest point of the association, appoints some individual as Budget Officer. The budget officer is enabled to investigate the budgets arranged by various functional heads and to roll out improvements in them, if the circumstances so request. The actual performance of various department is imparted to the Budget Officer. He decides the deviations in the budgets and the real execution and finds a way to correct the insufficiencies, assuming any.

He fills in as a facilitator among various department and screens the significant data. He likewise educates the top administration about the execution of various department. The budget officer will have the capacity to complete his work completely well just in the event that he is acquainted with the working of the considerable number of departments.

BUDGET COMMITTEE:

A budget panel is framed to help the budget officer. The heads all the imperative departments are made individuals from this committee. The committee is in charge of arrangement and execution of budgets. The assemblies of this committee set up the instance of their particular offices to help the committee to take aggregate choices if important. The budget committee of trustees in charge of looking into the budgets arranged by different functional heads organize every one of the budgets and endorse the last budgets. The budget officer goes about as an organize of this committee of trustees all the functional heads are endowed with the duty of guaranteeing appropriate usage of their individual last departmental budgets.

BUDGET CENTERS:

A budget center is the part of the association for which the budget is prepared. A budget maker might be a division segment of office or some other part of office preferably, the leader of each inside ought to be an individual from the budget panel. Nonetheless, it must be guaranteed that each budget center at any rate has a backhanded portrayal in the budget committee.

The foundation of budget centers is fundamental for covering all parts of the association turns out to be simple when distinctive center is built up the budget center are likewise essential for cost control reason.

BUDGET PERIOD:

A budget period is the time allotment for which a budget is arranged and utilized. The budget time frame relies on various elements. It might be distinctive for various ventures or even it might be diverse in a similar industry or business.

The budget time frame relies on the accompanying contemplations:

(a) The sort of budget i.e., sales budget, production budget, raw materials purchase budget, capital expenditure budget. A capital expenditure budget might be for a more extended period i.e. 3 to 5 year's purchase, sale budgets might be for one year.

(b) The nature of demand for the product.

(c) The timings for the accessibility of the accounts.

(d) The financial circumstance of the nation.

(e) The length of trade cycles.

All the previously mentioned factors are considered while settling time of budgets

BUDGETS REPORTS:

Finding out budget in itself is of no utilization unless there is a steady stream of budget reports indicating evaluation of the actual and the budget figures. It ought to be set up at normal interims like each month indicating consequences of the distinction amongst actual and budgeting figure. The reports ought to be paid ahead of time such that they set up duty regarding the differences. Reports ought to likewise uncover regardless of whether fluctuations are good and that they are controllable.

The substance of the budget report shifts as per the need of the administrative level. Reports are set up such that the concerned manager is straightforwardly worried to be given itemized data. As the level becomes higher, the measure of detail turns out to be less despite the fact that the scope of the report will enlarge.

BUDGETARY CONTROL AT BEL

BUDGETING PROCESS AT BEL

The budgeting procedure in BEL is an annual exercise and by tradition all budgets submitted to the board of directors will mirror the plan for 3 years:

- Budget estimate of the next financial year (B.E.)
- Forecast estimate for the year after next year (F.C)
- Revised estimate for the year after next year (R.E)

It can be seen that there is a probability to revise the budget estimate of the current financial year. This adaptability to audit the original budget and make update may end up essential if there are any huge changes in either the inward or outer condition. Ideally, the progressions in revised estimate ought to be kept to the base, since huge scale changes nullify the point of setting up the original budget estimate itself.

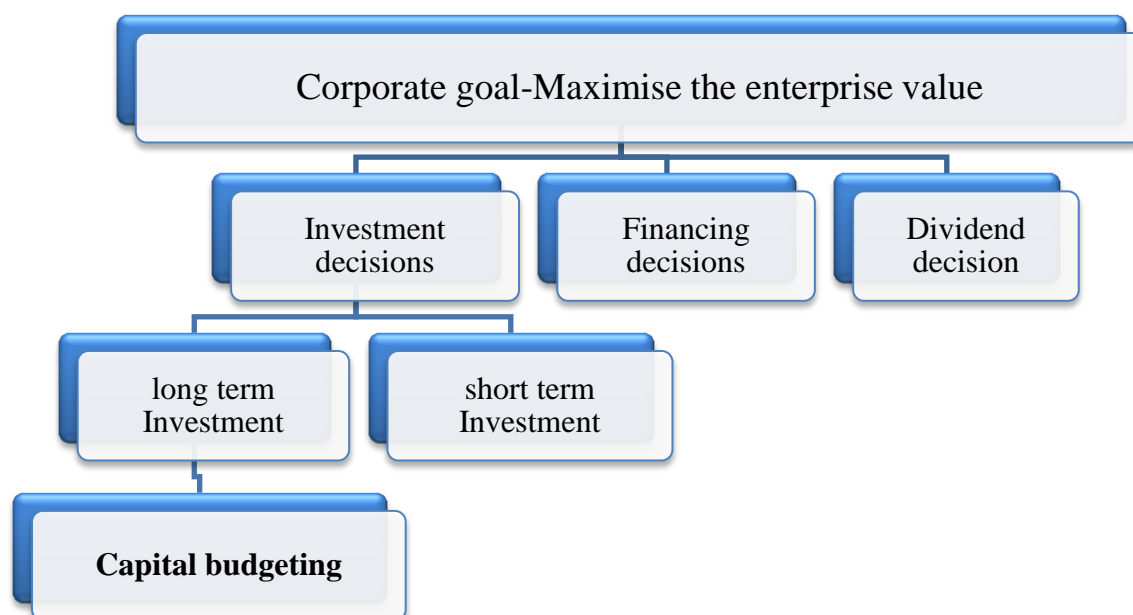
TYPES OF BUDGET PREPARED AT BEL

The budget process in BEL is a yearly exercise and is done by convention of all budget submitted to the board of director which will reflect the plan for 3 years.

Here in BEL there is flexibility to revise the original in budget and make revision if necessary. There are 2 types of budget prepared by BEL:

- CAPITAL BUDGET
- REVENUE BUDGET

CAPITAL BUDGET



Capital budgeting may be defined as the company's decision to invest its current funds in the long-term activities, in anticipating of an expected flow of future benefits. The long-term activities are those which affect the company's operations beyond one-year period. Generally, the company's capital budgeting decisions will involve additions, disposals, modifications and replacement of long term fixed assets, building, acquiring land, putting up a new plant and other major investments of similar nature.

CATEGORIES OF CAPITAL INVESTMENT PROPOSALS

- I. Projects
- II. Augmentation needs (other than projects)
- III. Civil works

PROJECTS

Projects are those capital investments where there is recognizable and quantifiable revenue from the investment proposed and the expenditure predicted. Project cost estimates should be prepared under various heads such as plant and machinery, electronics equipment's, special tools/jigs, civil works, utilities and other infrastructure needs.

AUGMENTATION NEEDS

There is a need for investing in items "other than projects" which will be mainly for augmenting the existing facilities. Broadly the augmentation needs will fall under the following categories:

- a. Embellishments/ Replacements to renovate the current facility or to balance the necessity keeping in line with the proposed level of activity. These are normally known as "modernization and balancing needs".

- b. The requirement for replacement of present assets arises either due to technological obsolescence or due to wear and tear. Here the determining factors will be the cost and resale value of the original assets and the capabilities and cost of the intended replacement.
- c. Items required for research and development.

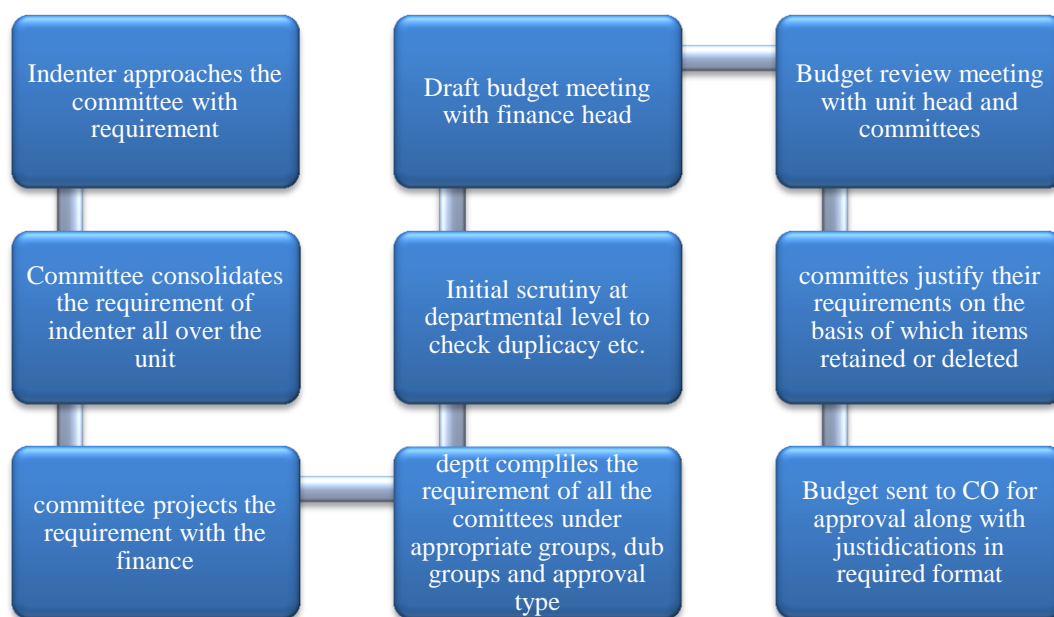
CIVIL WORK

All the civil works necessities of new building/floors either in the factory or in the township are to be recorded here.

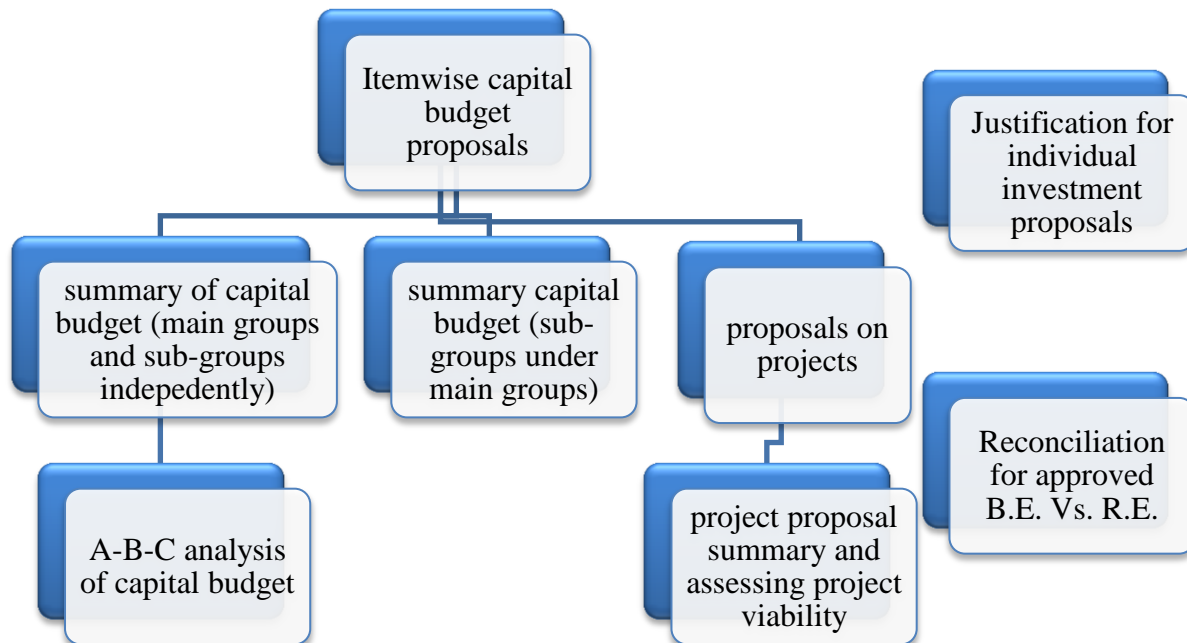
Types of capital investment proposal

- a. Replacement of plant, machinery and installations to keep the present operations going
- b. Additions/ extensions for raising output
- c. Taking up a new product line, a new plant construction or a new manufacturing setup
- d. Vertical integration viz., making in-house an item so far brought from outside
- e. Fixed assets for R&D activity
- f. Desirable investment on utilities/ infrastructure including staff welfare
- g. Building requirements and civil, mechanical and electrical works for items listed at “a” to “f” above.

VETTING OF CAPITAL BUDGET PROPOSALS



FLOW CHART OF CAPITAL BUDGET



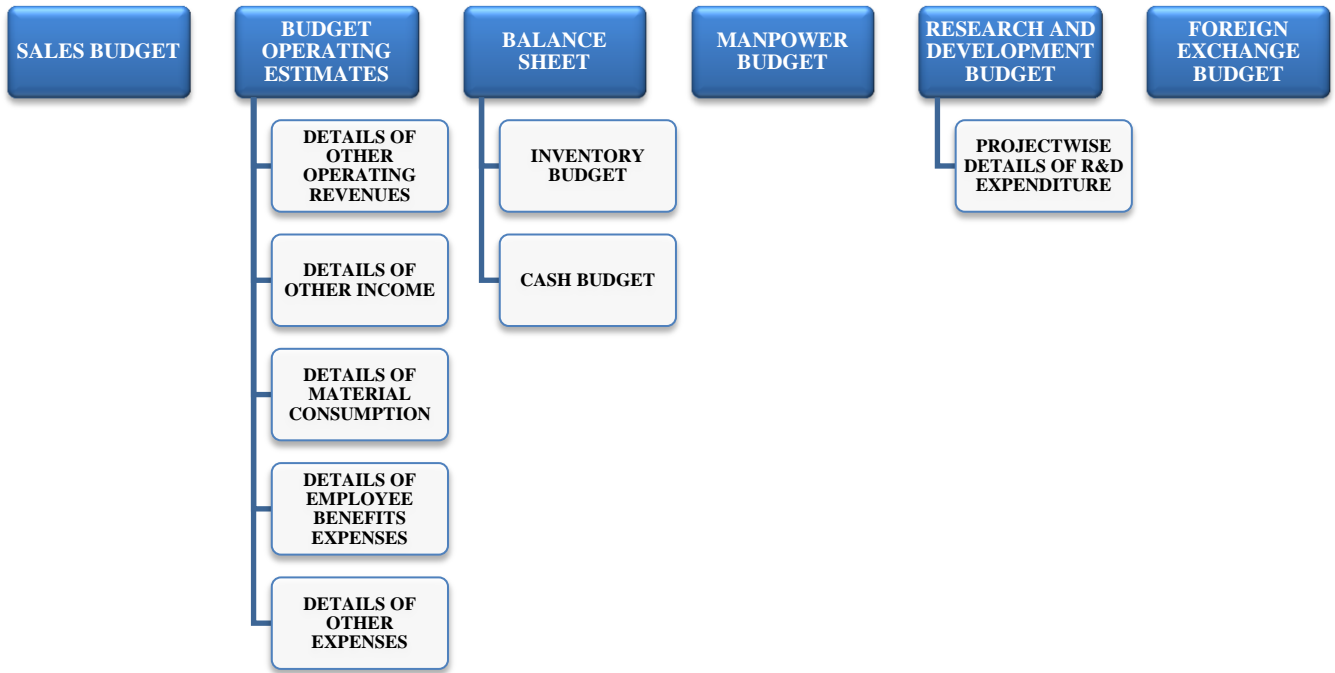
To control the capital budget the following process is followed:

The different necessity of the diverse office like furniture, PCs, plant and hardware and so on., is given to the budget office then the division sends it to the corporate office for endorsement. When it is affirmed, the budget division in the wake of endorsing enters it into the work Break-down structure framework (this is where the prerequisites are entered and once it is entered changes can't be made, that is the necessity can't be expanded yet it can be diminished) and afterward the budget office sends it back to the diverse offices and the offices gives avocation on the material required and on the off chance that it is set up without sufficient justification, at that point things isn't probably going to be considered while combining and setting up the budget proposition. When they get the correct prerequisite of the material, the budget division enters it into the SAP framework. Capital budget is taken care of through work separate structure. In this way BEL control the capital budget.

REVENUE BUDGET

Revenue budgeting exercise encourages the organization to focus around territories which require consistent checking and follow up activity in the budget year. With a specific end goal to guarantee that the key issues are tended to in the revenue budget planning and preparation process, certain rules and regulation.

FLOW CHART OF REVENUE BUDGET



TO CONTROL THE REVENUE BUDGET THE FOLLOWING PROCESS IS FOLLOWED:

The various necessity of the diverse divisions is given to the budget office. The budget division solidifies the necessity of the whole office and afterward add on 5% to 10% to the sum and sends it to the corporate office for endorsement. The corporate office examines the budget and sends it back to the budget office and after that budget division convey the budget according to the prerequisite of the diverse offices. Revenue budget is taken care of through interior request number. Thusly BEL control the revenue budget.

REPORTS

A budgetary control system will be complete only if there is a mechanism of regular reporting by which feedback is obtained and reported to the management. Every month, status report on investment plan of the company is required to be submitted. These reports from the units should reach corporate office o or before last working day of month.

Corporate and unit administration require reports on capital & revenue expenditure. The organized monthly capital expenditure statement and correlation of the operating estimated according to budget and the actual achieved. On the revenue side, this is required to help in checking the progress of dispatches amid the year and on the expenditure side, this will help in distinguishing areas which need additional control.

LITERATURE REVIEW

As per **Daniel P. Carpenter** "Control over office budgets is a basic instrument of political impact in administrative basic leadership, yet the causal system of budgetary control is vague. Do budgetary controls impact offices by forcing asset limitations or by transmitting capable signs to the organization? I progress and test a stochastic procedure model of versatile flag handling by a various levelled office to address this inquiry. The essential discoveries of the paper are two. In the first place, presidents and congressional boards accomplish budgetary control over offices not by controlling total asset requirements but rather by transmitting intense flags through budget shifts. Second, bureaucratic progression builds the organization's reaction time in preparing budgetary signs, constraining the viability of the budget as a gadget of political control. I likewise demonstrate that the greatness of organization reaction to budgetary signs expanded for official branch offices after 1970 because of official oversight changes. I close by talking about the cut off points of budgetary controls as a gadget of political control and the reaction of chose experts to versatile flag preparing by organizations."

As per **Alan S. Dunk, 2011** "Associations are progressively calling for more noteworthy budgetary oversight of the item development process. A noteworthy focal point of their worry is the expenses related with item development together with their need to improve their budgetary execution through these undertakings. In any case, the writing has raised various issues emerging from such budgetary proposition, recommending that the inventiveness of those engaged with item development ought not be compelled by taken a toll concerns, that the utilization of administration control frameworks is inconsistent with item advancement, and that budgets may smother development. It is contended in this paper the degree to which item development positively affects the monetary execution of firms is reliant on the way in which budgets are utilized as a part of associations. On the off chance that budgets are utilized prevalently as an arranging instrument, at that point such budget arranging encourages item advancement bringing about improved execution. Interestingly, if budgets are utilized principally as a control system, at that point it is impossible that item advancement will add to money related execution. The aftereffects of the investigation are steady with these desires. This paper makes a commitment to the writing by giving exact confirmation of the effect of budgets with regards to item advancement."

As per **Gokhan Ozer and Emine Yilmaz, 2011** "On account of the expanding significance of powerful and profitable administration of open associations, budgetary slack is begun to be viewed as a vital issue for open associations. Keeping in mind the end goal to contribute the arrangement of this issue, the present examination explores the impacts of budgetary control viability, moral work atmosphere and directors' procedural equity observation on affinity to make budgetary slack in pubic associations. The information is acquired through survey reacted by 465 administrators who work in various open associations. The aftereffects of the examinations demonstrate that viability of budgetary control, moral work atmosphere and procedural equity view of administrators have a measurably critical and negative

effect on supervisors' inclination to make budgetary slack openly associations. Budgetary control and moral work atmosphere influence administrators' view of procedural equity. What's more, it is induced from the examination that the view of procedural equity has fractional intervention impact between adequacy of budgetary control, moral work atmosphere and penchant to make budgetary slack."

Glautier and Under (1987) express that "the rise of logical administration theory with its accentuation on itemized info" as a reason for taking choice gave a huge stimulus to the improvement of administration bookkeeping and to be sure budgeting techniques". Be that as it may, budgeting at the beginning time of its improvement was worried about getting ready and displaying solid data to legitimize responsibility and to allow adjust execution assessment and thus, rewards. Throughout the years, the capacity and focal point of budgeting has moved extensively and business association turn out to be more perplexing and their condition winds up powerful combined with the rise slant, the term budget and budgeting have been contrastingly characterized and inspected by different researchers in a few ways."

As indicated by **Hudson and Andrew** (1996), "control includes the settling on of choices in view of pertinent data which prompts designs and activities that enhance the usage of the gainful resources and administrations accessible to associations administration. Successful control is said to be founded on principles which real execution can be thought about. In the event that there are no gauges, at that point there can be no compelling measure of achievement. Hudson and Andrew distinguished and explained on five classes into which guidelines fall, they are: amount, quality, time, dissension and esteem. Viable control is a key administration errand which guarantees that endeavours created at all levels are similar with those required to guarantee the long-haul future viability and achievement of the association (Stewart, 1997)."

As per **H.S. Wheldon**, "By budgetary control, each thing of genuine cost is so controlled by watchful supervision as to influence it to accommodate, as almost as could be expected under the circumstances, to the foreordained models. It has brought about the disposal of waste and overabundance costs in each appropriate case where budgetary control has been legitimately organized."

As per **John Blocker**, "Budgetary control is intended to help the administration the assignment of obligations and specialist, to help in making appraisals and arrangements for future, to aid examination of different amongst assessed and real outcomes and to create premise of estimation or guidelines with which to assess the effectiveness of tasks."

As per **Brown and Howard**, "Budgetary control is an arrangement of controlling costs which incorporates the readiness of budgets, organizing the divisions and setting up obligations, contrasting real execution and the budgeted and following up on results to accomplish most extreme gainfulness." Weldon portrays budgetary control as arranging ahead of time of the different elements of a business with the goal that the business all in all is controlled

K. Amjaroen in his book "5 Essentials of fruitful Budgeting" expressed that, "Budgeting is clear, simple to do with a spreadsheet and more an activity of diligence than whatever else". "More or less, budgeting implies that financial specialists don't spend more than they make. It is otherwise called "living beneath one's signifies" and is by all accounts an idea lost on bunches of people in social orders their framework empowers living to a great extent on obligation through Visa". Likewise, it is reason while numerous third world organizations are worried or appropriately fizzled in light of the fact that the Chief Executive runs the association without compelling budget projection which brought about them living over their methods.

Dutta in his book titled "Administration Control System" articulates that "budgetary control is a precise and formalized approach for achieving the arranging, coordination and control duties of administration. Shipper and Van der Stede (2003) concurred that budgetary control is a focal gadget of administration control. The utilization of budgets to control an association's exercises is known as budgetary controls (Garrison and Noreen, 1997)."

As per **Young Hoonk Wak and Williams Ibbs** (2002), 'Budgetary control is the way toward controlling the use on a development venture at all phases from start to fulfilment, inside the affirmed. Budget is vital on the grounds that cost invades are normal bringing about genuine cost issues amid venture execution'.

Anderson S.D. what's more, Lynn Cook E (1995), found, "if the aggregate Cost cognizant and other Management approach is received in the proposed start methodology itself to execute the extent of the Project, it will prompt the consistent change for alternate procedures of the Project. Further, the final product will likewise be savvier"

As indicated by **Liang Liu, Scott A. Consumes, Chung – Wei Feng**, (1995), "in Cost Management arranging process, development organizers must choose suitable assets, including team estimate, hardware, strategies and advances, to play out the errands of a development venture"

Egan, (1997) Egan underscored that "without viable controls, an undertaking will be helpless before interior and outside powers that disturbs its productivity and be ignorant; such venture will have the capacity to battle such powers. At the point when a budgeting and control framework is being used, budgets are built up which set out in monetary terms, the duty of supervisors in connection to the necessity of the general arrangement of the organization."

Morgan (1997) opines that the "budget had developed past a money related device. It is most importantly administrative device; fundamentally, it is the best instrument for ensuring that key assets, particularly execution asset are doled out to needs and to comes about. It is an instrument that empowers the chief to know when to survey and amend plans, either in light of the fact that outcomes are not quite the same as desire or because of natural, monetary conditions, economic situations or innovations change, which never again relate to the presumptions of the budget. Morgan stressed that the budget ought to be utilized as an apparatus for arranging and control"

As indicated by **Hudson and Andrew** (1996), "control includes the settling on of choices in view of significant data which prompts designs and activities that enhance the use of the beneficial resources and administrations accessible to associations administration. Viable control is said to be founded on models which genuine execution can be analyzed. On the off chance that there are no gauges, at that point there can be no viable measure of accomplishment. Hudson and Andrew recognized and explained on five classifications into which benchmarks fall, they are: amount, quality, time, objection and esteem."

Stewart (1997)," Effective control is a key administration undertaking which guarantees that endeavors created at all levels are comparable with those required to guarantee the long-haul future viability and achievement of the association."

Isaac Reynolds, concur with wills all the more however noticed that "budget arranging is the way to survival in today very specialized and aggressive condition and that inability to design comes about, for some organizations in a business disappointment that may have been kept away from by benefit arranging."

J.F Weston (1978) and E.F Brigham are in concurrence with Reynolds (1984). In any case, are advisers for present that the "budget isn't a method for constraining use. Or maybe, it is a technique to enhance activities, a device for acquiring the most gainful and beneficial employments of the organization's assets through cautious arranging and controlling."

Hingren and Foster (1988) concurred that the "budget isn't a penny-squeezing gadget. They likewise concurred with the perspectives communicated by different creators that budget is a guide to co-appointment and implantation".

As indicated by **Chika Agu** (2006) for the situation investigation of 'budgeting and budgetary Control in Business association,' "Budgetary control, is the utilization of the budget as an instrument for the direction of business tasks. All things considered, budgets fill in as a measuring stick for official control of activity, to decide the degree which arranged objectives and goals are being achieved and to capture disconnected floats on "time". While concurring that budgetary control takes after budget readiness, fortunate opined that budgets require top administrative help as well as that control is helped too by "support of budgets holders into the examination of answer for the issues which emerge".

CHAPTER 3

RESEARCH DESIGN

TOPIC CHOSEN FOR STUDY

“STUDY ON BUDGETARY CONTROL OF BEL Ltd”

STATEMENT OF THE PROBLEM

“A study on budgetary control” was led through an organized survey in order to:

- To break down how Budgeting and Budgetary Control helps the BEL
- To select the best course of plan.
- To give a definite plan of activity for business over some period of time frame
- To facilitate the diverse unit and exercises of the association with a view to use the resources wisely
- To practice the control and on cost through correlation of actual outcomes with the budgeted one.

To know the role of Budgetary Control.

Budgetary control is utilized by most associations as a device for appropriate administration of resources in the association and its activities. A firm with all around planned budgetary controls effectively doles out its managers the obligation regarding the utilization of assigned monetary resources to accomplish their allotted operational goals. Budget controls gives correlations of actual outcomes against budget plan.

NEED FOR THE STUDY

Budgetary control is a solid apparatus of business is to expand benefits. The administration is in this manner continually endeavouring to focus around the best possible planning, compelling coordination and control keeping in mind the end goal to boost benefits. There are different administrative instruments and methods valuable for the administration to plan and control business activities. Budget is likewise utilized for the administration to plan and control business activities and it is generally utilized as a standard device of planning and control.

Budget gives as an important guide to administration through planning, coordination and control. It is an apparatus which measures the administrative execution of an association. It advances confidence and produces harmony in the association.

The investigation centre around breaking down the difference amongst budgeted and actual figures with uncommon reference to the statement of budgets arranged at BEL. It is difficult to foresee the correct figures in this manner variety will undoubtedly happen, consequently it winds up important to distinguish the varieties. This investigation centres around the computation of varieties and examining the reasons of the same.

OBJECTIVES OF THE STUDY

- To study budgetary control practices adopted by BEL Bangalore during 2014-17

- To give suggestions based on analysis

SCOPE OF THE STUDY

The study covers budget and budgetary framework rehearsed in Bharat Electronics Limited. In any case, the study absolutely relies on exactness in the budget statement. as for the subject, extent of the examination is constrained to the study and assessment of the budgeting productivity at the organization which is completed by contrasting the actual and budgeting proficiency at the organization for a 3-year deciding variance from the planned performance and furthermore the plausible explanations for the variation

METHODOLOGY

Methodology adopted is descriptive research.

RESEARCH DESIGN

The study utilized a descriptive survey study research design look it into plan which was gone for examining the budgetary controls in Bharat Electronics Limited. This design attempts to gather data from members of the population and describes existing marvel with reference to budgeting controls.

The goal is to draw explanation and generate ideas from the past trends in order to understand the present and to anticipate the future. It empowers to gasp out relationship with the past and to plan more intelligently for the future. The past contains the key to the present and the present influences the future. It involves comparison between budgeted and actual figures, that is to find

- **Variance = budgeted – actual**
- **Variance % = variance / budgeted * 100**

SOURCES OF DATA:

Information gathered is exclusively for education purpose. Despite the sources information accumulated comes under the grouped section, care has been taken to provide sufficient information. There are mainly two essential sources through which the whole data is gathered.

Primary data

The primary data of the subject is gathered by personal communication with the authorities of the finance and accounting department of BEL and also from annuals of the organization. Inquiries were solicited to the employees of different section of BEL to gather the required information.

Secondary data

Secondary information includes textbook, internet and organization records including budget manual, annual report, website of the company etc. the information gathered must be correlated and should indicate soundness in the approach. The financial data identifying with the organization has been gathered for the 3 years.

Secondary data used in the study are:

- Budget Manual
- Annual report & books, journals and manuals of the company

- Company handouts, orientation manuals
- Product brochures
- Industry and company website.

LIMITATIONS OF THE STUDY

- The time period of study was constrained and insufficient to go into the detailed by point viewpoint to the study.
- Most of the issues identified with the budget was confidential. Subsequently it isn't conceivable to assemble much data.
- Data give by organization was restricted.
- The findings depend on the information provided by the organization and in view of the association with different representatives of the separate departments.
- The budgeting process took after by Bharat Electronics Limited is one of a kind, entangled and diverse to understand.
- The foundation of a budgeting procedure requires significant investment.
- Being a defence organization venture names or any instrument name can't be disclosed.
- As the division is very colossal, it was a hard to meet all officials and get their perspectives.

CHAPTER 4
DATA ANALYSIS AND INTERPRETATION

BUDGET OPERATING ESTIMATES 2014-15

Particulars	Actuals 2013-2014	Budget Estimates 2014-2015	Revised Estimates 2014-2015	[` in lakh]	
				Budget Estimates 2015-2016	Forecast 2016-2017
Value of Production (C&AG)	377415.63	429792.61	425459.90	454583.80	493261.82
I - REVENUE FROM OPERATIONS :					
A. Sales & Services					
Sale of Products	330983.99	359851.38	384360.00	403823.00	453167.00
Sale of Services	42273.69	43048.62	23483.00	33571.00	19057.00
Sales & Services (Gross)	373257.68	402900.00	407843.00	437394.00	472224.00
Less : Excise Duty	4558.26	1314.58	1687.80	1043.38	3220.58
Sales & Services (Net) - A	368699.42	401585.42	406155.20	436350.62	469003.42
B. Inter Unit Stock Transfers (IUST) :					
Internal Jobs	11434.71	12174.00	7567.17	10216.00	9802.00
Less : Excise Duty	28.69	0.00	0.00	0.00	0.00
Net IUST	11406.02	12174.00	7567.17	10216.00	9802.00
C. Other Operating Revenues	7738.37	7824.98	6157.83	6275.35	7112.55
Revenue from Operations : I (A+B+C)	387843.81	421584.40	419880.20	452841.97	485917.97
II. Other Income	22438.25	19365.33	23902.82	26317.40	25760.03
III. Total Revenue (I+II)	410282.06	440949.73	443783.02	479159.37	511678.00
IV. EXPENSES					

Cost of Material Consumed	210140.60	199627.19	250264.16	267331.26	287914.56
Cost of Stores & Spares Consumed	1655.28	1209.00	419.51	441.49	562.91
Purchase of Stock-in-Trade	9114.71	79023.39	23719.33	26189.78	31773.07
Total Material Consumption	220910.59	279859.58	274403.00	293962.53	320250.54
Changes in Inventories of Finished Goods, WIP & Scrap	7276.76	(14718.61)	(10049.73)	(6973.80)	(11235.82)
Employee Benefits Expense	42737.90	51090.32	52948.07	55063.64	59817.34
Finance Cost	10.60	67.21	35.57	77.49	90.36
Depreciation and Amortization Expense	7122.81	7250.00	7500.00	7800.00	8200.00
Other Expenses	54099.75	51183.98	53096.29	56579.42	59776.49
Total Expenses : IV	332158.41	374732.48	377933.20	112546.75	436898.91
Profit Before Exceptional / Extra Ordinary / Prior Period Items	78123.65	66217.25	65849.82	366612.62	74779.09
Exceptional / Extra Ordinary / Prior Period Items	(46.67)	0.00	0.00	0.00	0.00
PROFIT BEFORE TAX	78170.32	66217.25	65849.82	72650.09	74779.09

BUDGET OPERATING ESTIMATES 2014-15

[` in lakh]

Particulars	Actuals 2013-2014	Budget Estimates 2014-2015	Variance	Variance %
Value of Production (C&AG)	377415.63	429792.61	52,376.98	12.19

I - REVENUE FROM OPERATIONS:				
A. Sales & Services				
Sale of Products	330983.99	359851.38	28,867.39	8.02
Sale of Services	42273.69	43048.62	774.93	1.80
Sales & Services (Gross)	373257.68	402900.00	29,642.32	7.36
Less : Excise Duty	4558.26	1314.58	-3,243.68	-246.75
Sales & Services (Net) - A	368699.42	401585.42	32,886.00	8.19
B. Inter Unit Stock Transfers (IUST) :				
Internal Jobs	11434.71	12174.00	739.29	6.07
Less : Excise Duty	28.69	0.00	-28.69	
Net IUST	11406.02	12174.00	767.98	6.31
C. Other Operating Revenues	7738.37	7824.98	86.61	1.11
Revenue from Operations : I (A+B+C)	387843.81	421584.40	33,740.59	8.00
II. Other Income	22438.25	19365.33	-3,072.92	-15.87
III. Total Revenue (I+II)	410282.06	440949.73	30,667.67	6.95
IV. EXPENSES				
Cost of Material Consumed	210140.60	199627.19	-10,513.41	-5.27
Cost of Stores & Spares Consumed	1655.28	1209.00	-446.28	-36.91
Purchase of Stock-in-Trade	9114.71	79023.39	69,908.68	88.47
Total Material Consumption	220910.59	279859.58	58,948.99	21.06
Changes in Inventories of Finished Goods, WIP & Scrap	7276.76	(14718.61)	-21,995.37	149.44
Employee Benefits Expense	42737.90	51090.32	8,352.42	16.35
Finance Cost	10.60	67.21	56.61	84.23
Depreciation and Amortization Expense	7122.81	7250.00	127.19	1.75
Other Expenses	54099.75	51183.98	-2,915.77	-5.70
Total Expenses : IV	332158.41	374732.48	42,574.07	11.36
Profit Before Exceptional / Extra Ordinary / Prior Period Items	78123.65	66217.25	-11,906.40	-17.98

Exceptional / Extra Ordinary / Prior Period Items	(46.67)	0.00	46.67	
PROFIT BEFORE TAX	78170.32	66217.25	-11,953.07	-18.05

BUDGET OPERATING ESTIMATES 2015-16

Particulars	Actuals 2014-15	Budget Estimates 2015-16	Revised Estimates 2015-16	[` in lakh]	
				Budget Estimates 2016-17	Forecast 2017-18
Value of Production (C&AG)	414820	454584	472674	531879	551073
I - REVENUE FROM OPERATIONS :					
A. Sales & Services					
Sale of Products	371997	403823	428140	451723	459532
Sale of Services	30527	33571	20340	16857	21995
Sales & Services (Gross)	402524	437394	448480	468580	481527
Less : Excise Duty	1403	1043	21232	24781	27101
Sales & Services (Net) - A	401121	436351	427248	443799	454426
B. Inter Unit Stock Transfers (IUST) :					
Internal Jobs	3530	10216	11079	49994	50032
Less : Excise Duty	66	0	1223	5494	5477
Net IUST	3464	10216	9856	44500	44555
C. Other Operating Revenues	10301	6275	7482	6095	6928
Revenue from Operations : I (A+B+C)	414886	452842	444586	494394	505909
II. Other Income	25277	26317	24668	24624	24681
III. Total Revenue (I+II)	440163	479159	469254	519018	530590
IV. EXPENSES					

Cost of Material Consumed	234238	267331	272953	306221	313667
Cost of Stores & Spares Consumed	2671	442	3198	3525	3501
Purchase of Stock-in-Trade	9975	26190	11941	13165	13075
Total Material Consumption	246884	293963	288092	322911	330243
Changes in Inventories of Finished Goods, WIP & Scrap	(8766)	(6974)	(13115)	(13305)	(19514)
Employee Benefits Expense	52750	55064	55688	62972	81177
Finance Cost	20	76	64	78	78
Depreciation and Amortization Expense	7284	7800	7700	8100	8700
Other Expenses	63415	56580	57796	61401	63746
Total Expenses : IV	361587	406509	396225	442157	464430
Profit Before Exceptional/Extra Ordinary/Prior Period Items	78576	72650	73029	76861	66160
Exceptional/Extra Ordinary/Prior Period Items	(25)	0	0	0	0
PROFIT BEFORE TAX	78601	72650	73029	76861	66160

BUDGET OPERATING ESTIMATES 2015-16

[` in lakh]

Particulars	Actuals 2014-15	Budget Estimates 2015-16	Variance	variance %
Value of Production (C&AG)	414820	454584	39,764.00	8.75
I - REVENUE FROM				

OPERATIONS :				
A. Sales & Services				
Sale of Products	371997	403823	31,826.00	7.88
Sale of Services	30527	33571	3,044.00	9.07
Sales & Services (Gross)	402524	437394	34,870.00	7.97
Less : Excise Duty	1403	1043	-360.00	-34.52
Sales & Services (Net) - A	401121	436351	35,230.00	8.07
B. Inter Unit Stock Transfers (IUST) :				
Internal Jobs	3530	10216	6,686.00	65.45
Less : Excise Duty	66	0	-66.00	
Net IUST	3464	10216	6,752.00	66.09
C. Other Operating Revenues	10301	6275	-4,026.00	-64.16
Revenue from Operations : I (A+B+C)	414886	452842	37,956.00	8.38
II. Other Income	25277	26317	1,040.00	3.95
III. Total Revenue (I+II)	440163	479159	38,996.00	8.14
IV. EXPENSES				
Cost of Material Consumed	234238	267331	33,093.00	12.38
Cost of Stores & Spares Consumed	2671	442	-2,229.00	-504.30
Purchase of Stock-in-Trade	9975	26190	16,215.00	61.91
Total Material Consumption	246884	293963	47,079.00	16.02
Changes in Inventories of Finished Goods, WIP & Scrap	(8766)	(6974)	1,792.00	-25.70
Employee Benefits Expense	52750	55064	2,314.00	4.20
Finance Cost	20	76	56.00	73.68
Depreciation and Amortization Expense	7284	7800	516.00	6.62
Other Expenses	63415	56580	-6,835.00	-12.08
Total Expenses : IV	361587	406509	44,922.00	11.05

Profit Before Exceptional/Extra Ordinary/Prior Period Items	78576	72650	-5,926.00	-8.16
Exceptional/Extra Ordinary/Prior Period Items	(25)	0	25.00	
PROFIT BEFORE TAX	78601	72650	-5,951.00	-8.19

BUDGET OPERATING ESTIMATES OF 2016-17

Particulars	Actuals 2015-16	Budget Estimates 2016-17	Revised Estimates 2016-17	[` in lakh]	
				Budget Estimates 2017- 18	Foreca st 2018- 19
Value of Production (C&AG)	511764	531879	561968	592694	641085
I - REVENUE FROM OPERATIONS:					
A. Sales & Services					
Sale of Products	442877	451723	516987	539441	590094
Sale of Services	49339	16857	15189	16130	17603
Sales & Services (Gross)	492216	468580	532176	555571	607697
Less: Excise Duty	22090	24781	28807	25054	33987
Sales & Services (Net) - A	470126	443799	503369	530517	573710
B. Inter Unit Stock Transfers (IUST):					
Internal Jobs	5000	49994	14244	17575	12840
Less: Excise Duty	281	5494	1054	1013	1209
Net IUST	4719	44500	13190	16562	11631
C. Other Operating Revenues	6575	6095	16126	15574	16425
Revenue from Operations: I (A+B+C)	481420	494394	532685	562653	601766
II. Other Income	29218	24624	24784	19923	20510

III. Total Revenue (I+II)	510638	519018	557469	582576	622276
IV. EXPENSES					
Cost of Material Consumed	274506	306221	307299	329844	360104
Cost of Stores & Spares Consumed	1403	3525	1561	1655	1772
Purchase of Stock-in-Trade	13022	13165	14324	15757	17333
Total Material Consumption	288931	322911	323184	347256	379209
Changes in Inventories of Finished Goods, WIP & Scrap	(14548)	(13305)	(15548)	(19548)	(20548)
Employee Benefits Expense	53904	62972	57160	61529	65896
Finance Cost	41	78	62	89	91
Depreciation and Amortization Expense	7468	8100	8787	9275	10498
Other Expenses	85549	61401	88944	103624	103951
Total Expenses: IV	421345	442157	462589	502225	539097
Profit Before Exceptional/Extra Ordinary/Prior Period Items	89293	76861	94880	80351	83179
Exceptional/Extra Ordinary/Prior Period Items	(231)	0	0	0	0
PROFIT BEFORE TAX	89524	76861	94880	80351	83179

BUDGET OPERATING ESTIMATES OF 2016-17

[` in lakh]

Particulars	Actuals 2015-16	Budget Estimates 2016-17	Variance	Variance %
Value of Production (C&AG)	511764	531879	20,115.00	3.78
I - REVENUE FROM OPERATIONS:				

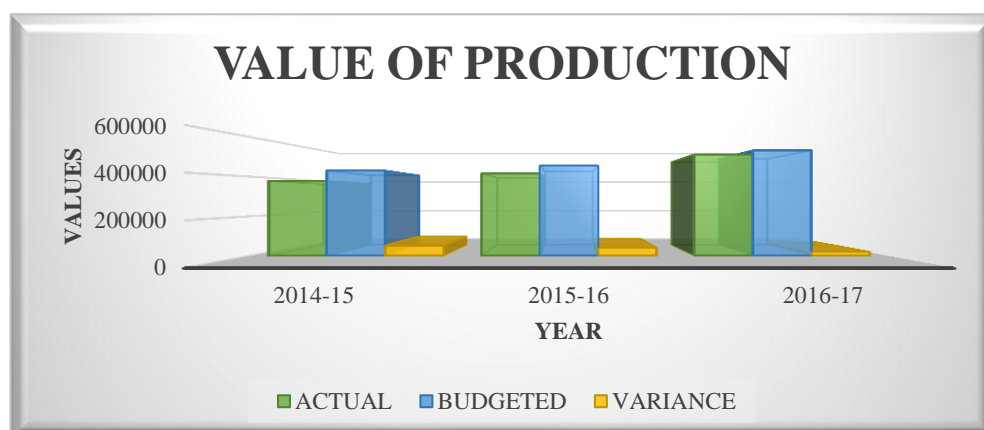
A. Sales & Services				
Sale of Products	442877	451723	8,846.00	1.96
Sale of Services	49339	16857	- 32,482.00	-192.69
Sales & Services (Gross)	492216	468580	- 23,636.00	-5.04
Less : Excise Duty	22090	24781	2,691.00	10.86
Sales & Services (Net) - A	470126	443799	- 26,327.00	-5.93
B. Inter Unit Stock Transfers (IUST)				
:				
Internal Jobs	5000	49994	44,994.00	90.00
Less : Excise Duty	281	5494	5,213.00	94.89
Net IUST	4719	44500	39,781.00	89.40
C. Other Operating Revenues	6575	6095	-480.00	-7.88
Revenue from Operations : I (A+B+C)	481420	494394	12,974.00	2.62
II. Other Income	29218	24624	-4,594.00	-18.66
III. Total Revenue (I+II)	510638	519018	8,380.00	1.61
IV. EXPENSES				
Cost of Material Consumed	274506	306221	31,715.00	10.36
Cost of Stores & Spares Consumed	1403	3525	2,122.00	60.20
Purchase of Stock-in-Trade	13022	13165	143.00	1.09
Total Material Consumption	288931	322911	33,980.00	10.52
Changes in Inventories of Finished Goods, WIP & Scrap	(14548)	(13305)	1,243.00	-9.34
Employee Benefits Expense	53904	62972	9,068.00	14.40
Finance Cost	41	78	37.00	47.44
Depreciation and Amortization Expense	7468	8100	632.00	7.80
Other Expenses	85549	61401	- 24,148.00	-39.33

Total Expenses: IV	421345	442157	20,812.00	4.71
Profit Before Exceptional/Extra Ordinary/Prior Period Items	89293	76861	- 12,432.00	-16.17
Exceptional/Extra Ordinary/Prior Period Items	(231)	0	231.00	
PROFIT BEFORE TAX	89524	76861	- 12,663.00	-16.48

TABLE NO 1: TABLE SHOWING THE DATA OF VALUE PRODUCTION
(Rs. In Lakhs)

YEAR	ACTUAL	BUDGETED	VARIANCE	VARIANCE%
2014-15	377415.63	429792.61	52,376.98	12.19
2015-16	414820	454584	39,764.00	8.75
2016-17	511764	531879	20,115.00	3.78

GRAPH NO. 1: PRESENTING VALUE OF PRODUCTION



ANALYSIS AND INTERPRETATION

In the year 2014-14, 2015-16 and 2016-17, the actual value of production is less than the budgeted value by 12.91%, 8.75%, 3.78% respectively. The variations in the value of production are mainly due to the factors like shortage of materials and obsolescence of machinery.

TABLE NO:2 TABLE SHOWING THE DATA OF SALES & SERVICES (NET)

YEAR	ACTUAL	BUDGETED	VARIANCE	VARIANCE%
2014-15	368699.42	401585.42	32,886.00	8.19
2015-16	401121	436351	35,230.00	8.07

2016-17	470126	443799	-26,327.00	-5.93
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ANAL

YSIS AND INTERPRETATION

In the year 204-15, 2015-16 the budgeted value of net sales & services is more than the actual by 8.19% and 8.07% respectively. In the year 2016-17 budgeted value is less than actual value by -5.93%. The sales have been satisfactory, as it is close to the budgeted value. The variation is due to delay in placement of orders by customers.

GRAPH NO.:2 PRESENTING SALES & SERVICES



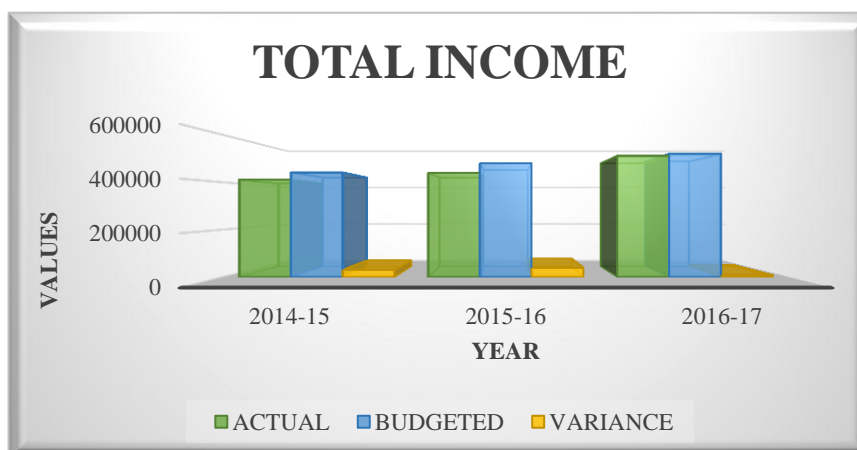
TABLE NO 3: TABLE SHOWING THE DATA OF TOTAL INCOME

(Rs. In Lakhs)

YEAR	ACTUAL	BUDGETED	VARIANCE	VARIANCE%
2014-15	410282.06	440949.73	30,667.67	6.95
2015-16	440163	479159	38,996.00	8.14
2016-17	510638	519018	8,380.00	1.61

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PRESENTING TOTAL INCOME



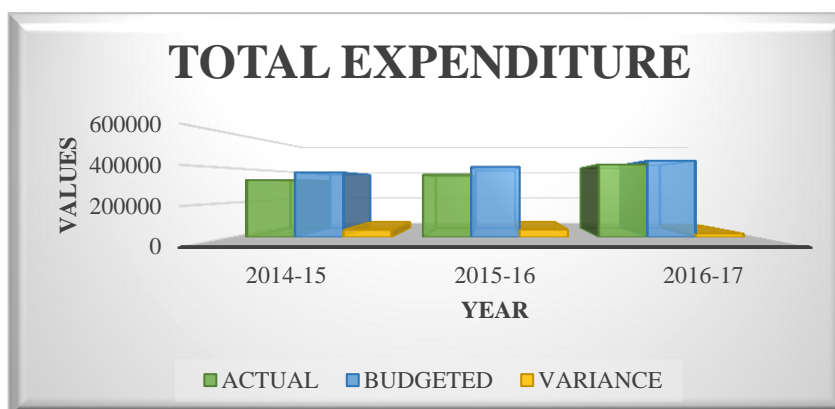
ANALYSIS AND INTERPRETATION

In the year 2014-15, 2015-16 and 2016-17 the budgeted value shows more than the actual value by 6.95%, 8.14% and 1.61% respectively. In all the three years the actual income is less than the budgeted estimation of the company which indicates there is a decrease of stocks resulted into contribution of decrease in total income.

TABLE NO 4: TABLE SHOWING THE DATA OF TOTAL EXPENDITURE
(Rs. In Lakhs)

YEAR	ACTUAL	BUDGETED	VARIANCE	VARIANCE%
2014-15	332158.41	374732.48	42,574.07	11.36
2015-16	361587	406509	44,922.00	11.05
2016-17	421345	442157	20,812.00	4.71

GRAPH NO:4 PRESENTING TOTAL EXPENDITURE



ANALYSIS & INTERPRETATION

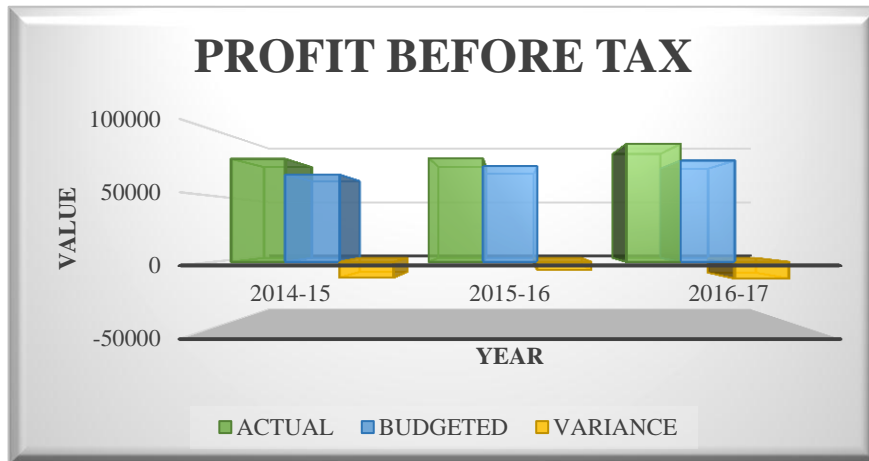
In the year 2014-15, 2015-16 and 2016-17 the budgeted expenditure shows more than the actual expenditure by 11.36%, 11.05% and 4.71%. The variance is more when compared to budgeted value, this is on account of wage settlement of executives, other revenue expenses and variance in consumption of raw material. The actual expenditure shows less compared to budgeted value due to over-estimation on purchase of finished goods and increase in revenue expenses.

TABLE NO 5: TABLE SHOWING THE DATA OF PROFIT BEFORE TAX
(Rs. In Lakhs)

YEAR	ACTUAL	BUDGETED	VARIANCE	VARIANCE%
2014-15	78170.32	66217.25	-11,953.07	-18.05
2015-16	78601	72650	-5,951.00	-8.19

2016-17	89524	76861	-12,663.00	-16.48
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GRAPH NO:5 PRESENTINF PROFIT BEFORE TAX



ANALYSIS & INTERPRETATION

In the year 2014-15, 2015-16 and 2016-17 the actual profit before tax shows more than the budgeted profit by 18.05%, 8.19% and 16.48% respectively. In all the three years actual value of profit before tax more than that of the estimation of company. Company is earning good amount of profit in a study rate than compare to budget estimation every year which indicates effective performance and growth of company.

PROJECTED BALANCE SHEET of 2014-15

Particulars	Actuals 2013-2014	Budget Estimates 2014-2015	Revised Estimates 2014-2015	(` in lakh)	
				Budget Estimates 2015-2016	Forecast 2016-2017
I EQUITY AND LIABILITIES					
(1) Own Fund					
(a) Head Office Investment account	17264.74	37053.32	77919.63	92758.61	84530.24
(b) P & L a/c [Current year's Profit/ (Loss)	78170.32	66217.25	65849.82	72650.09	74779.09
Total Own Funds - 1 (a + b)	95435.06	103270.57	143769.45	165408.70	159309.33
(2) Government Grants	196.83	162.98	264.21	249.18	233.40
(3) Non-Current Liabilities					
Long-term Borrowings	0.00	0.00	0.00	0.00	0.00
Other Long Term Liabilities	606.74	350.00	600.00	625.00	650.00
Long Term Provisions	7889.39	11545.92	9287.00	10537.00	11787.00
Total Non Current Liabilities - 3	8496.13	11895.92	9887.00	11162.00	12437.00
(4) Current Liabilities					
Short Term Borrowings	0.00	0.00	0.00	0.00	0.00
Trade Payables	63765.69	71443.03	66185.22	74400.64	78926.20
Other Current Liabilities	372475.06	327194.72	382690.61	395061.94	431418.70
Short Term Provisions	2633.99	2617.93	1553.70	1903.70	2268.70
Total Current Liabilities - 4	438874.74	401255.68	450429.53	471366.28	512613.60
(5) Inter Unit Balances [Net]					

Total Equity and Liabilities - I (1 + 2 + 3 + 4+ 5)	543002.76	516585.15	604350.19	648186.16	684593.33
II ASSETS					
(1) Non Current Assets					
Fixed Assets (Net)					
Tangible Assets	30775.97	74811.14	53583.67	95610.70	126551.23
Intangible Assets	0.00	0.00	0.00	0.00	0.00
Capital Work-in-progress	3537.41	10000.00	6000.00	7000.00	10000.00
Intangible Assets under Development	0.00	0.00	0.00	0.00	0.00
Total Fixed Assets (Net)	34313.38	84811.14	59583.67	102610.70	136551.23
Long-term Loans & Advances	4065.66	4764.39	4617.81	4764.39	5979.39
Other Non-Current Assets	4164.56	8830.09	7633.96	8830.09	9851.39
Total Non-Current Assets - 1	42543.60	98405.62	71835.44	116205.18	152382.01
(2) Current Assets (Excl. Inter Unit)					
Inventories	161923.31	151796.81	176806.11	185488.13	194342.49
Trade Receivables	252798.61	156229.22	260605.64	250339.35	241415.33
Cash & Bank Balances	307.55	3.50	3.00	3.50	3.50
Short-term Loans & Advances	85373.24	110050.00	95000.00	96050.00	96150.00
Other Current Assets	56.45	100.00	100.00	100.00	300.00
Total Current Assets - 2	500459.16	418179.53	532514.75	531980.98	532211.32
Total Assets - II (1 + 2)	543002.76	516585.15	604350.19	648186.16	684593.33

PROJECTED BALANCE SHEET of 2014-15

Particulars	Actuals 2013-2014	Budget Estimates 2014-2015	Variance	Variance %
I EQUITY AND LIABILITIES				
(1) Own Fund				
(a) Head Office Investment account	17264.74	37053.32	19,788.58	53.40568672
(b) P & L a/c [Current year's Profit/ (Loss)	78170.32	66217.25	- 11,953.07	-18.0512933
Total Own Funds - 1 (a + b)	95435.06	103270.57	7,835.51	7.587360078
(2) Government Grants	196.83	162.98	-33.85	-20.7694196
(3) Non-Current Liabilities				
Long-term Borrowings	0.00	0.00		
Other Long Term Liabilities	606.74	350.00	-256.74	-73.3542857
Long Term Provisions	7889.39	11545.92	3,656.53	31.66945553
Total Non Current Liabilities - 3	8496.13	11895.92	3,399.79	28.57946254
(4) Current Liabilities				
Short Term Borrowings	0.00	0.00		
Trade Payables	63765.69	71443.03	7,677.34	10.74610077
Other Current Liabilities	372475.06	327194.72	- 45,280.34	-13.838958
Short Term Provisions	2633.99	2617.93	-16.06	-0.61346178
Total Current Liabilities - 4	438874.74	401255.68	- 37,619.06	-9.37533395
(5) Inter Unit Balances [Net]				
Total Equity and Liabilities - I (1 + 2 + 3 + 4+ 5)	543002.76	516585.15	- 26,417.61	-5.11389265
II ASSETS				

(1) Non-Current Assets				
Fixed Assets (Net)				
Tangible Assets	30775.97	74811.14	44,035.17	58.86178181
Intangible Assets	0.00	0.00		
Capital Work-in-progress	3537.41	10000.00	6,462.59	64.6259
Intangible Assets under Development	0.00	0.00		
Total Fixed Assets (Net)	34313.38	84811.14	50,497.76	59.54142345
Long-term Loans & Advances	4065.66	4764.39	698.73	14.66567598
Other Non-Current Assets	4164.56	8830.09	4,665.53	52.8367208
Total Non-Current Assets - 1	42543.60	98405.62	55,862.02	56.76710334
(2) Current Assets (Excl. Inter Unit)				
Inventories	161923.31	151796.81	- 10,126.50	-6.67108881
Trade Receivables	252798.61	156229.22	- 96,569.39	-61.8126302
Cash & Bank Balances	307.55	3.50	-304.05	-8687.14286
Short-term Loans & Advances	85373.24	110050.00	24,676.76	22.42322581
Other Current Assets	56.45	100.00	43.55	43.55
Total Current Assets - 2	500459.16	418179.53	- 82,279.63	-19.6756714
Total Assets - II (1 + 2)	543002.76	516585.15	- 26,417.61	-5.11389265

PROJECTED BALANCE SHEET of 2015-16

Particulars	Actuals 2014-15	Budget Estimates 2015-16	Revised Estimates 2015-16	[` in lakh]	
				Budget Estimates 2016-17	Forecast 2017-18
I EQUITY AND LIABILITIES					

(1) Own Fund					
(a) Head Office Investment account	44310	92759	138547	154244	179160
(b) P & L a/c [Current year's Profit/ (Loss)	78601	72650	73029	76861	66160
Total Own Funds - 1 (a + b)	122911	165409	211576	231105	245320
(2) Government Grants	170	249	117	103	89
(3) Non-Current Liabilities					
Long-term Borrowings	0	0	0	0	0
Other Long Term Liabilities	45	625	145	155	125
Long Term Provisions	10604	10537	13805	17103	20499
Total Non Current Liabilities - 3	10649	11162	13950	17258	20624
(4) Current Liabilities					
Short Term Borrowings	0	0	0	0	0
Trade Payables	66407	74400	73416	84956	96527
Other Current Liabilities	326115	395062	284423	313240	356781
Short Term Provisions	2873	1904	2143	2292	2440
Total Current Liabilities - 4	395395	471366	359982	400488	455748
Total Equity and Liabilities - I (1 + 2 + 3 + 4)	529125	648186	585625	648954	721781
II ASSETS					
(1) Non Current Assets					
Fixed Assets (Net)					
Tangible Assets	32801	95611	77757	124819	179204
Intangible Assets	0	0	0	0	0
Capital Work-in-progress	5067	7000	6455	10818	10917

Intangible Assets under Development	0	0	0	0	0
Total Fixed Assets (Net)	37868	102611	84212	135637	190121
Long-term Loans & Advances	2876	4764	2742	2691	2588
Other Non current Assets	2199	8830	6143	6862	7492
Total Non Current Assets - 1	42943	116205	93097	145190	200201
(2) Current Assets (Excl. Inter Unit)					
Inventories	182077	185488	180283	178595	184278
Trade Receivables	247669	250339	256649	264019	270042
Cash & Bank Balances	5954	4	4	4	4
Short-term Loans & Advances	50458	96050	55505	61055	67160
Other Current Assets	24	100	87	91	96
Total Current Assets - 2	486182	531981	492528	503764	521580
Total Assets - II (1 + 2)	529125	648186	585625	648954	721781

PROJECTED BALANCE SHEET of 2015-16

[` in lakh]

Particulars	Actuals 2014-15	Budget Estimates 2015-16	Variance	Variance %
I EQUITY AND LIABILITIES				
(1) Own Fund				
(a) Head Office Investment account	44310	92759	48,449.00	52.23105036
(b) P & L a/c [Current year's Profit/ (Loss)	78601	72650	-5,951.00	-
Total Own Funds - 1 (a + b)	122911	165409	42,498.00	25.69267694
(2) Government Grants	170	249	79.00	31.72690763

(3) Non-Current Liabilities				
Long-term Borrowings	0	0		
Other Long Term Liabilities	45	625	580.00	92.8
Long Term Provisions	10604	10537	-67.00	- 0.635854608
Total Non Current Liabilities - 3	10649	11162	513.00	4.595950546
(4) Current Liabilities				
Short Term Borrowings	0	0		
Trade Payables	66407	74400	7,993.00	10.74327957
Other Current Liabilities	326115	395062	68,947.00	17.45219738
Short Term Provisions	2873	1904	-969.00	- 50.89285714
Total Current Liabilities - 4	395395	471366	75,971.00	16.1171998
Total Equity and Liabilities - I (1 + 2 + 3 + 4)	529125	648186	1,19,061.00	18.36833872
II ASSETS				
(1) Non Current Assets				
Fixed Assets (Net)				
Tangible Assets	32801	95611	62,810.00	65.69327797
Intangible Assets	0	0		
Capital Work-in-progress	5067	7000	1,933.00	27.61428571
Intangible Assets under Development	0	0		
Total Fixed Assets (Net)	37868	102611	64,743.00	63.09557455
Long-term Loans & Advances	2876	4764	1,888.00	39.63056255
Other Non current Assets	2199	8830	6,631.00	75.09626274
Total Non Current Assets - 1	42943	116205	73,262.00	63.04547997
(2) Current Assets (Excl. Inter Unit)				
Inventories	182077	185488	3,411.00	1.838932977

Trade Receivables	247669	250339	2,670.00	1.066553753
Cash & Bank Balances	5954	4	-5,950.00	-148750
Short-term Loans & Advances	50458	96050	45,592.00	47.4669443
Other Current Assets	24	100	76.00	76
Total Current Assets - 2	486182	531981	45,799.00	8.609142056
Total Assets - II (1 + 2)	529125	648186	1,19,061.00	18.36833872

PROJECTED BALANCE SHEET OF 2016-17

Particulars	Actuals 2015-16	Budget Estimates 2016-17	Revised Estimate s 2016- 17	[` in lakh]	
				Budget Estimates 2017-18	Forecast 2018-19
I EQUITY AND LIABILITIES					
(1) Own Fund					
(a) Head Office Investment account	87067	154234	142275	242855	250913
(b) P & L a/c [Current year's Profit/ (Loss)	89524	76861	94880	80351	83179
Total Own Funds - 1 (a + b)	176591	231095	237155	323206	334092
(2) Government Grants	136	103	122	108	94
(3) Non-Current Liabilities					
Long-term Borrowings	0	0	0	0	0
Other Long-Term Liabilities	45	155	45	45	45
Long Term Provisions	12218	17103	13419	14884	16762
Total Non-Current Liabilities - 3	12263	17258	13464	14929	16807
(4) Current Liabilities					

Short Term Borrowings	0	0	0	0	0
Trade Payables	64220	84956	72523	78288	90680
Other Current Liabilities	329370	313240	349994	343210	394099
Short Term Provisions	3984	2292	8722	11706	14660
Total Current Liabilities - 4	397574	400488	431239	433204	499439
Total Equity and Liabilities - I (1 + 2 + 3 + 4)	586564	648944	681980	771447	850432
II ASSETS					
(1) Non-Current Assets					
Fixed Assets (Net)					
Tangible Assets	47698	124819	111146	177843	203686
Intangible Assets	0	0	0	5809	5163
Capital Work-in-progress	13315	10818	15048	23676	46757
Intangible Assets under Development	17439	0	30339	23885	23885
Total Fixed Assets (Net)	78452	135637	156533	231213	279491
Long-term Loans & Advances	1612	2691	1801	1985	2321
Other Non current Assets	1124	6862	1227	1263	1312
Total Non Current Assets - 1	81188	145190	159561	234461	283124
(2) Current Assets (Excl. Inter Unit)					
Inventories	221881	178595	228149	234550	246977
Trade Receivables	253374	264019	261174	266670	281548
Cash & Bank Balances	542	(6)	569	597	627
Short-term Loans & Advances	29522	61055	32159	34996	38006
Other Current Assets	57	91	368	173	150

Total Current Assets - 2	505376	503754	522419	536986	567308
Total Assets - II (1 + 2)	586564	648944	681980	771447	850432

PROJECTED BALANCE SHEET OF 2016-17

[` in lakh]

Particulars	Actuals 2015-16	Budget Estimates 2016-17	Variance	Variance %
I EQUITY AND LIABILITIES				
(1) Own Fund				
(a) Head Office Investment account	87067	154234	67,167.00	43.54876357
(b) P & L a/c [Current year's Profit/ (Loss)	89524	76861	-12,663.00	-16.475195
Total Own Funds - 1 (a + b)	176591	231095	54,504.00	23.58510569
(2) Government Grants	136	103	-33.00	-32.0388349
(3) Non-Current Liabilities				
Long-term Borrowings	0	0		
Other Long-Term Liabilities	45	155	110.00	70.96774194
Long Term Provisions	12218	17103	4,885.00	28.56224054
Total Non-Current Liabilities - 3	12263	17258	4,995.00	28.94309885
(4) Current Liabilities				
Short Term Borrowings	0	0		
Trade Payables	64220	84956	20,736.00	24.40792881
Other Current Liabilities	329370	313240	-16,130.00	-5.14940620
Short Term Provisions	3984	2292	-1,692.00	-73.8219895

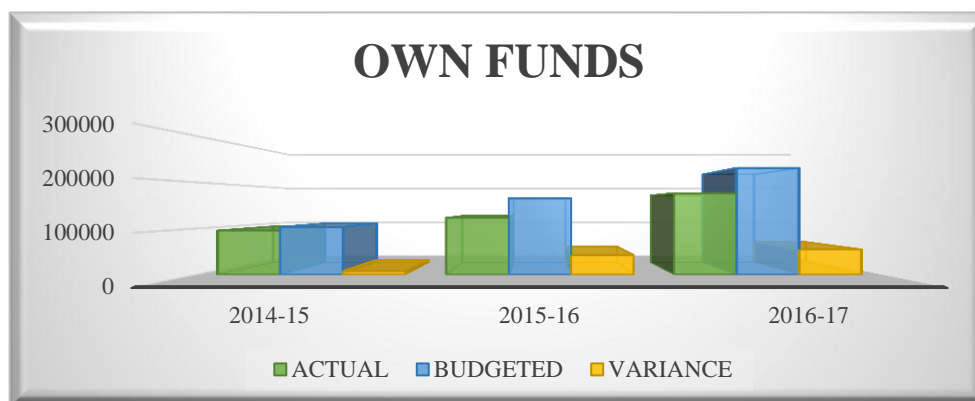
Total Current Liabilities - 4	397574	400488	2,914.00	0.727612313
Total Equity and Liabilities - I (1 + 2 + 3 + 4)	586564	648944	62,380.00	9.612539757
II ASSETS				
(1) Non Current Assets				
Fixed Assets (Net)				
Tangible Assets	47698	124819	77,121.00	61.78626651
Intangible Assets	0	0		
Capital Work-in-progress	13315	10818	-2,497.00	-23.0819005
Intangible Assets under Development	17439	0	-17,439.00	
Total Fixed Assets (Net)	78452	135637	57,185.00	42.16032499
Long-term Loans & Advances	1612	2691	1,079.00	40.09661836
Other Non current Assets	1124	6862	5,738.00	83.61993588
Total Non Current Assets - 1	81188	145190	64,002.00	44.08154832
(2) Current Assets (Excl. Inter Unit)				
Inventories	221881	178595	-43,286.00	-24.236960
Trade Receivables	253374	264019	10,645.00	4.031906795
Cash & Bank Balances	542	(6)	-548.00	9133.333333
Short-term Loans & Advances	29522	61055	31,533.00	51.64687577
Other Current Assets	57	91	34.00	37.36263736
Total Current Assets - 2	505376	503754	-1,622.00	-0.32198255
Total Assets - II (1 + 2)	586564	648944	62,380.00	9.612539757

TABLENO:6 SHOWING THE DATA OF OWN FUNDS

(Rs. In lakhs)

YEAR	ACTUAL	BUDGETED	VARIANCE	% VARIANCE
2014-15	95435.06	103270.57	7,835.51	7.587360078
2015-16	122911	165409	42,498.00	25.69267694
2016-17	176591	231095	54,504.00	23.58510569

GRAPH NO:6 PRESENTING OWN FUNDS



ANALYSIS AND INTERPRETATION

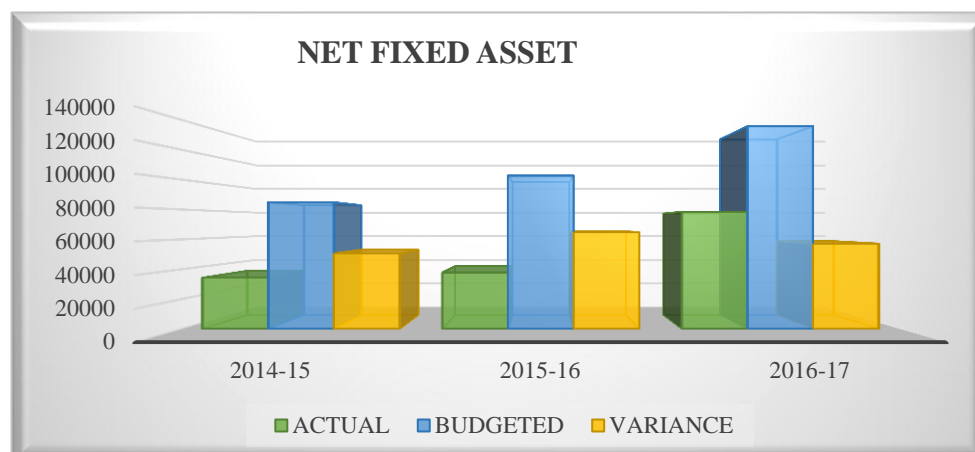
In the year 2014-15, 2015-16 and 2016-17 budgeted value of own funds are more compared to actual value of own funds. The above table indicates in all three years company's actual value of own funds is less than that of the estimation which is not favorable to the company.

TABLE NO: 7 TABLES SHOWING THE DATA OF NET FIXED ASSETS

(Rs. In Lakhs)

YEAR	ACTUAL	BUDGETED	VARIANCE	VARIANCE%
2014-15	34313.38	84811.14	50,497.76	59.54142345
2015-16	37868	102611	64,743.00	63.09557455
2016-17	78452	135637	57,185.00	42.16032499

GRAPH NO:7 PRESENTING NET FIXED ASSET



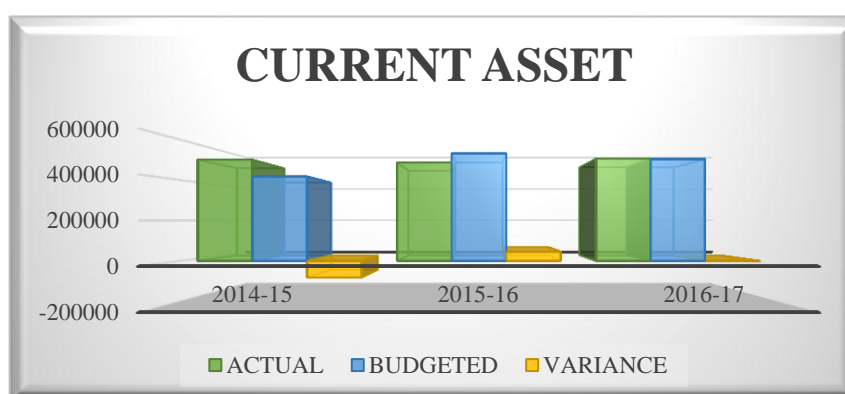
ANALYSIS AND INTERPRETATION

In the year 2014-15, 2015-16 and 2016-17 budgeted value of net fixed asset is more than actual value of net fixed asset. Actual value of net fixed assets is more as compared to the budgeted by 42.16%, 63.09% and 59.54% respectively.

TABLE NO:8 TABLE SHOWING THE DATA CURRENT ASSETS

YEAR	ACTUAL	BUDGETED	VARIANCE	VARIANCE%
2014-15	500459.16	418179.53	-82,279.63	-19.6756714
2015-16	486182	531981	45,799.00	8.609142056
2016-17	505376	503754	-1,622.00	-0.321982555

GRAPH NO:8 PRESENTING CURRENT ASSET



ANALYSIS AND INTERPRETATION

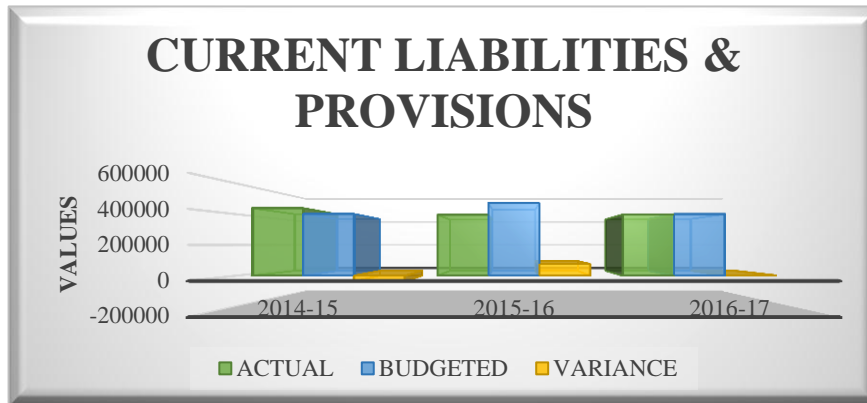
In the year 2014-15 and 2016-17 the budgeted value of the current assets shows less than the budgeted value by 19.67% and 0.32% respectively. In the year 2015-16 budgeted value of the current assets is more than the actual value of current asset by 8.61%. The change in the inventories, cash and bank balance cannot be estimated precisely which contributes to the major variations in Current Assets.

TABLE NO: 9 TABLE SHOWING THE DATA CURRENT LIABILITIES & PROVISIONS

(Rs.InLakhs)

PARTICULARS	ACTUAL	BUDGETED	VARIANCE	VARIANCE%
2014-15	438874.74	401255.68	-37,619.06	-9.37533395
2015-16	395395	471366	75,971.00	16.1171998
2016-17	397574	400488	2,914.00	0.727612313

GRAPH NO:9 PRESENTONG CURRENT LIABILITY & PROVISION



ANALYSIS AND INTERPRETATION

In the year 2014-15 budgeted value of current liability and provisions is less than the actual value of current liability and provisions by 9.37%. In the year 2015-16 and 2016-17 budgeted value of current liability and provisions is more than actual value of current liability and provisions by 16.11% and 0.72% respectively. In the year 2015-16 and 2016-17 company has estimated more liability and provision but the actual incurrence is less which is favourable but in 2014-15 actual incurrence is more than the budgeted estimation.

INVENTORY BUDGET OF 2014-15

[` in lakh]

Particulars	Actuals 2013- 2014	Budget Estimates 2014-2015	Revised Estimates 2014-2015	Budget Estimates 2015- 2016	Forecast 2016-2017
I. COMMITMENTS & PAYMENTS :					
(For Purchases incl. Customs Duty)					
Outstanding Commitments - Opening	66846.72	61009.94	46683.17	73520.82	88683.06
Add : Commitments during the year	173684.24	189394.64	206416.96	220953.94	228559.99
Total Commitments	240530.96	250404.58	253100.13	294474.76	317243.05
Less : Anticipated Payments	193847.79	182186.33	179579.31	205791.70	199721.11
Outstanding Commitments - Closing	46683.17	68218.25	73520.82	88683.06	117521.94
II. INVENTORY :					
A. RMC & SPARES					
Opening balance	97184.62	81892.74	113304.16	123391.63	128090.98
Add : Purchases	237030.13	275754.73	284490.47	298661.88	320693.88
Less : Consumption	220910.59	279859.58	274403.00	293962.53	320250.54
A. RMC & SPARES - Closing Balance	113304.16	77787.89	123391.63	128090.98	128534.32
B. WORK IN PROGRESS	54807.20	87174.97	68652.11	73860.60	81072.05
C. STOCK-IN-TRADE	8222.62	6759.19	4427.44	6192.75	10217.12
D. MATERIAL IN TRANSIT (incl. SCRAP)	0.00	2049.50	0.00	0.00	0.00
INVENTORY	176333.98	173771.55	196471.18	208144.33	219823.49

(GROSS) - [A + B + C + D]					
Less : Provision for obsolescence (incl. MIT)	10246.11	13144.65	12031.11	13826.11	15629.61
INVENTORY (NET)	166087.87	160626.90	184440.07	194318.22	204193.88

INVENTORY BUDGET OF 2014-15

[` in lakh]

Particulars	Actuals 2013-2014	Budget Estimates 2014-2015	Variance	Variance %
I. COMMITMENTS & PAYMENTS :				
(For Purchases incl. Customs Duty)				
Outstanding Commitments - Opening	66846.72	61009.94	-5,836.78	-9.5669328
Add : Commitments during the year	173684.24	189394.64	15,710.40	8.29506051
Total Commitments	240530.96	250404.58	9,873.62	3.94306686
Less : Anticipated Payments	193847.79	182186.33	-11,661.46	-6.4008424
Outstanding Commitments - Closing	46683.17	68218.25	21,535.08	31.5679162
II. INVENTORY :				
A. RMC & SPARES				
Opening balance	97184.62	81892.74	-15,291.88	-18.673059
Add : Purchases	237030.13	275754.73	38,724.60	14.0431317
Less : Consumption	220910.59	279859.58	58,948.99	21.0637742
A. RMC & SPARES - Closing Balance	113304.16	77787.89	-35,516.27	-45.657839
B. WORK IN PROGRESS	54807.20	87174.97	32,367.77	37.12966
C. STOCK-IN-TRADE	8222.62	6759.19	-1,463.43	-21.650967
D. MATERIAL IN TRANSIT (incl. SCRAP)	0.00	2049.50	2,049.50	100

INVENTORY (GROSS) - [A + B + C + D]	176333.98	173771.55	-2,562.43	-1.4745969
Less : Provision for obsolescence (incl. MIT)	10246.11	13144.65	2,898.54	22.0511006
INVENTORY (NET)	166087.87	160626.90	-5,460.97	-3.3997854

INVENTORY BUDGET OF 2015-16

Particulars	Actuals 2014-15	Budget Estimates 2015-16	Revised Estimates 2015-16	[` in lakh]	
				Budget Estimates 2016-17	Forecast 2017-18
I. COMMITMENTS & PAYMENTS :					
(For Purchases incl. Customs Duty)					
Outstanding Commitments - Opening	46683	73521	58165	66678	61834
Add : Commitments during the year	217042	220954	237444	238605	231840
Total Commitments	263725	294475	295609	305283	293674
Less : Anticipated Payments	205560	205792	228931	243449	255605
Outstanding Commitments - Closing	58165	88683	66678	61834	38069
II. INVENTORY :					
A. RMC & SPARES					
Opening balance	113304	123391	116204	104683	91897
Add : Purchases	249784	298662	276571	310125	317596
Less : Consumption	246884	293963	288092	322911	330243
A. RMC & SPARES - Closing Balance	116204	128090	104683	91897	79250
B. WORK IN PROGRESS	64529	73861	82431	95688	116188
C. STOCK-IN-TRADE	6896	6193	8923	9103	10182
D. FINISHED GOODS	7194	0	2404	2427	1416
E. LOOSE TOOLS	229	0	250	275	300
F. SCRAP	197	0	200	225	250

INVENTORY (GROSS) - [A + B + C + D]	195249	208144	198891	199615	207586
Less : Provision for obsolescence (incl. MIT)	10981	13826	12465	14158	15816
INVENTORY (NET)	184268	194318	186426	185457	191770
	0	0	0	0	0
Current Inventory	182077	185488	180283	178595	184278
Non Current Inventory	2191	8830	6143	6862	7492
Total inventory (Net)	184268	194318	186426	185457	191770
Value of Production (DPE)	413302	453419	450012	501387	518267
Net Inventory to VOP (DPE) - Days	163	156	151	135	135

INVENTORY BUDGET OF 2015-16

[` in lakh]

Particulars	Actuals 2014-15	Budget Estimates 2015-16	Variance	Variance %
I. COMMITMENTS & PAYMENTS :				
(For Purchases incl. Customs Duty)				
Outstanding Commitments - Opening	46683	73521	26,838.00	36.503856 04
Add : Commitments during the year	217042	220954	3,912.00	1.7705042 68
Total Commitments	263725	294475	30,750.00	10.442312 59
Less : Anticipated Payments	205560	205792	232.00	0.1127351 89
Outstanding Commitments - Closing	58165	88683	30,518.00	34.412457 86
II. INVENTORY :				
A. RMC & SPARES				
Opening balance	113304	123391	10,087.00	8.1748263

				65
Add : Purchases	249784	298662	48,878.00	16.365657 5
Less : Consumption	246884	293963	47,079.00	16.015280 83
A. RMC & SPARES - Closing Balance	116204	128090	11,886.00	9.2794129 13
B. WORK IN PROGRESS	64529	73861	9,332.00	12.634543 26
C. STOCK-IN-TRADE	6896	6193	-703.00	- 11.351525 9
D. FINISHED GOODS	7194	0	-7,194.00	
E. LOOSE TOOLS	229	0	-229.00	
F. SCRAP	197	0	-197.00	
INVENTORY (GROSS) - [A + B + C + D]	195249	208144	12,895.00	6.1952302 25
Less : Provision for obsolescence (incl. MIT)	10981	13826	2,845.00	20.577173 44
INVENTORY (NET)	184268	194318	10,050.00	5.1719346 64

INVENTORY BUDGET OF 2016-17

				[` in lakh]	
Particulars	Actuals 2015-16	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18	Forecast 2018-19
I. COMMITMENTS & PAYMENTS :					
(For Purchases incl. Customs Duty)					
Outstanding Commitments - Opening	46683	66678	11717	57179.5	14063.5

Add : Commitments during the year	217042	238605	357907.5	286326	357907.5
Total Commitments	263725	305283	369624.5	343505.5	371971
Less : Anticipated Payments	252008	243449	312445	329442	362522
Outstanding Commitments - Closing	11717	61834	57179.5	14063.5	9449
INVENTORY :					
A. RMC & SPARES					
Opening balance	116204	104683	143376	135593	124134
Add : Purchases	316103	310125	315401	335797	372735
Less : Consumption	288931	322911	323184	347256	379209
A. RMC & SPARES - Closing Balance	143376	91897	135593	124134	117660
B. WORK IN PROGRESS	76768	95688	92148	111716	129745
C. STOCK-IN-TRADE	4369	9103	4607	4729	5025
D. FINISHED GOODS	9441	2427	9533	9468	11937
E. LOOSE TOOLS	388	275	392	391	390
F. SCRAP	259	225	335	380	430
INVENTORY (GROSS) - [A + B + C + D]	234601	199615	242608	250818	265187
Less : Provision for obsolescence (incl. MIT)	11598	14158	13259	15018	16910
INVENTORY (NET)	223003	185457	229349	235800	248277

INVENTORY BUDGET OF 2016-17

[` in lakh]

Particulars	Actuals 2015-16	Budget Estimates 2016-	Variance	Variance %
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		17		
I. COMMITMENTS & PAYMENTS :				
(For Purchases incl. Customs Duty)				
Outstanding Commitments - Opening	46683	66678	19995	29.987402
Add : Commitments during the year	217042	238605	21563	9.0371115
Total Commitments	263725	305283	41558	13.612943
Less : Anticipated Payments	252008	243449	-8559	-3.515726
Outstanding Commitments - Closing	11717	61834	50117	81.050878
INVENTORY :				
A. RMC & SPARES				
Opening balance	116204	104683	-11521	-11.00560
Add : Purchases	316103	310125	-5978	- 1.9276098
Less : Consumption	288931	322911	33980	10.523023
A. RMC & SPARES - Closing Balance	143376	91897	-51479	-56.01815
B. WORK IN PROGRESS	76768	95688	18920	19.772594
C. STOCK-IN-TRADE	4369	9103	4734	52.004834
D. FINISHED GOODS	9441	2427	-7014	-288.9987
E. LOOSE TOOLS	388	275	-113	-41.09090
F. SCRAP	259	225	-34	-15.11111
INVENTORY (GROSS) - [A + B + C + D]	234601	199615	-34986	-17.52673
Less : Provision for obsolescence (incl. MIT)	11598	14158	2560	18.08165
INVENTORY (NET)	223003	185457	-37546	-20.24512

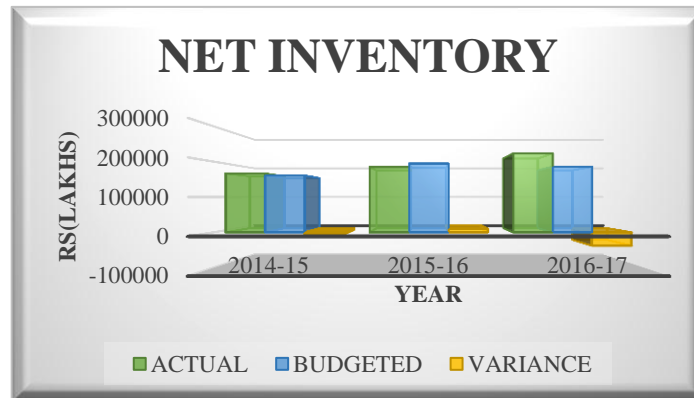
TABLE NO 10: TABLE SHOWING THE DATA OF NET INVENTORY

(Rs. In Lakhs)

PARTICULARS	ACTUAL	BUDGETED	VARIANCE	VARIANCE%
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2014-15	166087.87	160626.90	-5,460.97	-3.39978547
2015-16	184268	194318	10,050.00	5.171934664
2016-17	223003	185457	-37546	-20.245124

GRAPH NO:10 PRESENTING NET INVENTORY



ANALYSIS AND INTERPRETATION

In the year 2014-15 and 2016-17 the budgeted value of net inventory shows less than the actual value of net inventory by 3.39% and 20.24% respectively. In the year, 2015-16 Actual level of net inventory is less than the budgeted value of net inventory level due to variation in purchases and anticipated sales order are not materializing.

CASH BUDGET OF 2014-15					
				[` in lakh]	
Particulars	Actuals 2013-14	Budget Estimates 2014-15	Revised Estimates 2014-15	Budget Estimates 2015-16	Forecast 2016-17
1. OPENING BALANCE:					
Cash Credit	0	0	0	10	10
Cash in hand / in Transit	308	307.55	5954	4	4
OPENING BALANCE - NET	308	307.55	5954	(6)	(6)
2. INFLOW:					
Sales Proceeds	235706	199548.34	284830	297797	324461
Customer advances	147594	158702.59	169700	192105	230471
Other Receipts	4591	5295.23	6251	6394	6788
TOTAL INFLOW	387891	363546.16	460781	496296	561720
3. OUTFLOW:					
A. Operational Payments:					
Materials - Imported (Excl. Customs duty)	89184	81043	105731	110459	126722
Materials - Indigenous & Sub-Contract	110922	96199.11	118654	127967	123820
Materials - Total	200106	177242.32	224385	238426	250542
Employee Remuneration & Benefits	50100	47240.33	51239	55113	76427
Payment to Collaborator's (Royalty/TOT)	199	1121.01	881	107	50
Other Payments	15167	23279.88	19929	20166	22876
Total - A	265572	248883.54	296434	313812	349895
B. Statutory Payments :					

Customs Duty (excl. Capital Goods)	5454	2336.99	4546	5023	5063
Excise Duty	6626	71.2	7796	8422	8606
Sales Tax	2780	41698.78	34537	40597	56254
Total - B	14860	44106.97	46879	54042	69923
C. Capital Expenditure (incl. Customs duty)	10931	32770.29	54044	59525	63184
D. Interest Payment	1	0	0	0	0
E. Vehicle Loan	0	0	0	0	0
TOTAL OUTFLOW [A + B + C + D + E]	316387	325760.8	397357	427379	483002
4. CLOSING BALANCE :					
Cash Credit	0	1000	10	10	10
Cash in hand / in Transit	5954	3	4	4	4
CLOSING BALANCE - NET	5954	(997)	(6)	(6)	(6)
5. NET CASH TO / (FROM) CO [1 + 2 - 3 - 4]	65858	39089	69384	68917	78718

CASH BUDGET OF 2014-15

[` in lakh]

Particulars	Actuals 2013-14	Budget Estimates 2014-15	Variance	Variance %
1. OPENING BALANCE :				
Cash Credit	0	0		
Cash in hand / in Transit	308	307.55	-1.00	-0.3257329
OPENING BALANCE - NET	308	307.55	-1.00	-0.3257329
2. INFLOW :				
Sales Proceeds	235706	199548.34	-36157.66	-18.1197498

Customer advances	147594	158702.59	11108.59	6.999627416
Other Receipts	4591	5295.23	704.00	13.29556185
TOTAL INFLOW	387891	363546.16	-24345.07	-6.69655963
3. OUTFLOW :				
A. Operational Payments :				
Materials - Imported (Excl. Customs duty)	89184	81043	-8141.00	-10.0452846
Materials - Indigenous & Sub-Contract	110922	96199.11	-14722.89	-15.3046011
Materials - Total	200106	177242.32	-22863.68	-12.8996732
Employee Remuneration & Benefits	50100	47240.33	-2859.67	-6.05345052
Payment to Collaborator's (Royalty/TOT)	199	1121.01	922.01	82.24815122
Other Payments	15167	23279.88	8112.88	34.84932053
Total - A	265572	248883.54	-16688.46	-6.70532893
B. Statutory Payments :				
Customs Duty (excl. Capital Goods)	5454	2336.99	-3117.01	-133.377122
Excise Duty	6626	71.2	-6554.80	-9206.17978
Sales Tax	2780	41698.78	38918.78	93.33313828
Total - B	14860	44106.97	29246.97	66.30917971
C. Capital Expenditure (incl. Customs duty)	10931	32770.29	21839.29	66.64356647
D. Interest Payment	1	0	-1.00	
E. Vehicle Loan	0	0		
TOTAL OUTFLOW [A + B + C + D + E]	316387	325760.8	9373.80	2.877510124
4. CLOSING BALANCE:				
Cash Credit	0	1000	1000.00	100
Cash in hand / in Transit	5954	3	-5951.00	-198366.667
CLOSING BALANCE - NET	5954	(997)	-6951.00	697.1915747

5. NET CASH TO / (FROM) CO [1 + 2 - 3 - 4]	65858	39089	-26768.87	-68.4816214
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CASH BUDGET OF 2015-16

[` in lakh]

Particulars	Actuals 2014-15	Budget Estimates 2015-16	Revised Estimates 2015-16	[` in lakh]	
				Budget Estimates 2016-17	Forecast 2017-18
1. OPENING BALANCE:					
Cash Credit	0	1000	0	10	10
Cash in hand / in Transit	308	3	5954	4	4
OPENING BALANCE - NET	308	(997)	5954	(6)	(6)
2. INFLOW:					
Sales Proceeds	235706	274783	284830	297797	324461
Customer advances	147594	194445	169700	192105	230471
Other Receipts	4591	5550	6251	6394	6788
TOTAL INFLOW	387891	474778	460781	496296	561720
3. OUTFLOW:					
A. Operational Payments:					
Materials - Imported (Excl. Customs duty)	89184	83523	105731	110459	126722
Materials - Indigenous & Sub-Contract	110922	119465	118654	127967	123820
Materials - Total	200106	202988	224385	238426	250542
Employee Remuneration & Benefits	50100	49534	51239	55113	76427
Payment to Collaborator's (Royalty/TOT)	199	1040	881	107	50
Other Payments	15167	22768	19929	20166	22876
Total - A	265572	276330	296434	313812	349895

B. Statutory Payments :					
Customs Duty (excl. Capital Goods)	5454	2804	4546	5023	5063
Excise Duty	6626	7	7796	8422	8606
Sales Tax	27803	50605	34537	40597	56254
Total - B	39883	53416	46879	54042	69923
C. Capital Expenditure (incl. Customs duty)	10931	50827	54044	59525	63184
D. Interest Payment	1	0	0	0	0
E. Vehicle Loan	0	0	0	0	0
TOTAL OUTFLOW [A + B + C + D + E]	316387	380573	397357	427379	483002
4. CLOSING BALANCE :					
Cash Credit	0	1000	10	10	10
Cash in hand / in Transit	5954	4	4	4	4
CLOSING BALANCE - NET	5954	(996)	(6)	(6)	(6)
5. NET CASH TO / (FROM) CO [1 + 2 - 3 - 4]	65858	94204	69384	68917	78718

CASH BUDGET OF 2015-16

[` in lakh]

Particulars	Actuals 2014-15	Budget Estimates 2015-16	Variance	Variance %
1. OPENING BALANCE :				
Cash Credit	0	1000	1,000.00	100
Cash in hand / in Transit	308	3	-305.00	-10166.6667
OPENING BALANCE - NET	308	(997)	-1,305.00	130.892678
2. INFLOW :				
Sales Proceeds	235706	274783	39,077.00	14.22103988
Customer advances	147594	194445	46,851.00	24.09473116

Other Receipts	4591	5550	959.00	17.27927928
TOTAL INFLOW	387891	474778	86,887.00	18.3005531
3. OUTFLOW :				
A. Operational Payments :				
Materials - Imported (Excl. Customs duty)	89184	83523	-5,661.00	-6.77777379
Materials - Indigenous & Sub-Contract	110922	119465	8,543.00	7.151048424
Materials - Total	200106	202988	2,882.00	1.419788362
Employee Remuneration & Benefits	50100	49534	-566.00	-1.14264949
Payment to Collabarator's (Royalty/TOT)	199	1040	841.00	80.86538462
Other Payments	15167	22768	7,601.00	33.38457484
Total - A	265572	276330	10,758.00	3.893171208
B. Statutory Payments :				
Customs Duty (excl. Capital Goods)	5454	2804	-2,650.00	-94.5078459
Excise Duty	6626	7	-6,619.00	-94557.1429
Sales Tax	27803	50605	22,802.00	45.05878866
Total - B	39883	53416	13,533.00	25.33510559
C. Capital Expenditure (incl. Customs duty)	10931	50827	39,896.00	78.49371397
D. Interest Payment	1	0	-1.00	
E. Vehicle Loan	0	0		
TOTAL OUTFLOW [A + B + C + D + E]	316387	380573	64,186.00	16.86562105
4. CLOSING BALANCE :				
Cash Credit	0	1000	1,000.00	100
Cash in hand / in Transit	5954	4	-5,950.00	-148750
CLOSING BALANCE - NET	5954	(996)	-6,950.00	697.7911647
5. NET CASH TO / (FROM) CO [1 + 2 - 3 - 4]	65858	94204	28,346.00	30.09001741

CASH BUDGET OF 2016-17					
				[` in lakh]	
Particulars	Actuals 2015-16	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18	Forecast 2018-19
1. OPENING BALANCE:					
Cash Credit	0	10	0	0	0
Cash in hand / in Transit	5954	4	542	569	597
OPENING BALANCE - NET	5954	(6)	542	569	597
2. INFLOW:					
Sales Proceeds	277525	297797	311407	356933	412766
Customer advances	220028	192105	252577	266129	312281
Other Receipts	13594	6394	14722	13053	16024
TOTAL INFLOW	511147	496296	578706	636115	741071
3. OUTFLOW:					
A. Operational Payments:					
Materials - Imported (Excl. Customs duty)	150850	110459	197929	208697	229652
Materials - Indigenous & Sub-Contract	77463	127967	84827	89441	98422
Materials - Total	228313	238426	282756	298138	328074
Employee Remuneration & Benefits	53241	55113	49270	85054	88745
Payment to Collaborator's (Royalty/TOT)	456	107	454	568	592
Other Payments	28112	20166	30771	32403	34086
Total - A	310122	313812	363251	416163	451497
B. Statutory Payments:					
Customs Duty (excl. Capital Goods)	23695	5023	29689	31304	34448
Excise Duty	7808	8422	7420	6390	8551
Sales Tax	41158	40597	49179	56628	63797

Total - B	72661	54042	86288	94322	106796
C. Capital Expenditure (incl. Customs duty)	22938	59525	73968	83955	58776
D. Interest Payment	0	0	23	30	31
E. Vehicle Loan	0	0	0	0	0
TOTAL OUTFLOW [A + B + C + D + E]	405721	427379	523530	594470	617100
4. CLOSING BALANCE:					
Cash Credit	0	10			
Cash in hand / in Transit	542	4	569	597	627
CLOSING BALANCE - NET	542	(6)	569	597	627
5. NET CASH TO / (FROM) CO [1 + 2 - 3 - 4]	110838	68917	55149	41617	123941

CASH BUDGET OF 2016-17

[` in lakh]

Particulars	Actuals 2015-16	Budget Estimates 2016-17	Variance	Variance %
1. OPENING BALANCE :				
Cash Credit	0	10	10.00	100
Cash in hand / in Transit	5954	4	-5,950.00	-148750
OPENING BALANCE - NET	5954	(6)	-5,960.00	99333.33333
2. INFLOW :				
Sales Proceeds	277525	297797	20,272.00	6.807321766
Customer advances	220028	192105	-27,923.00	-14.5352802
Other Receipts	13594	6394	-7,200.00	-112.605568
TOTAL INFLOW	511147	496296	-14,851.00	-2.99236746
3. OUTFLOW :				
A. Operational Payments :				

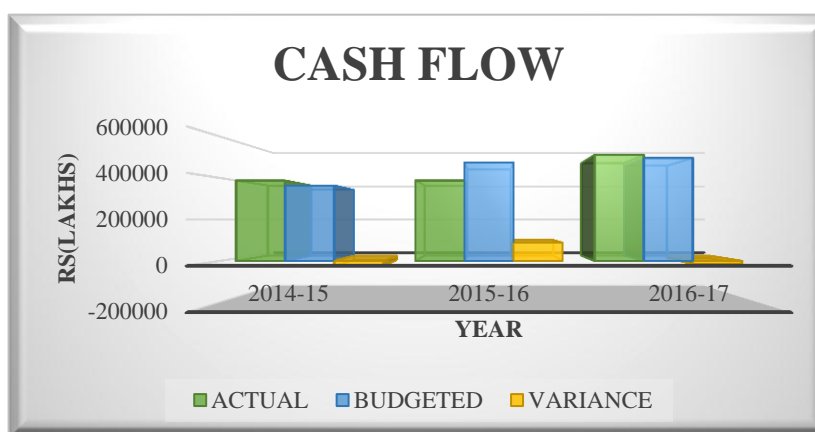
Materials - Imported (Excl. Customs duty)	150850	110459	-40,391.00	-36.5665088
Materials - Indigenous & Sub-Contract	77463	127967	50,504.00	39.46642494
Materials - Total	228313	238426	10,113.00	4.241567614
Employee Remuneration & Benefits	53241	55113	1,872.00	3.396657776
Payment to Collabarator's (Royalty/TOT)	456	107	-349.00	-326.168224
Other Payments	28112	20166	-7,946.00	-39.4029555
Total - A	310122	313812	3,690.00	1.175863256
B. Statutory Payments :				
Customs Duty (excl. Capital Goods)	23695	5023	-18,672.00	-371.730042
Excise Duty	7808	8422	614.00	7.290429827
Sales Tax	41158	40597	-561.00	-1.38187551
Total - B	72661	54042	-18,619.00	-34.452833
C. Capital Expenditure (incl. Customs duty)	22938	59525	36,587.00	61.4649307
D. Interest Payment	0	0		
E. Vehicle Loan	0	0		
TOTAL OUTFLOW [A + B + C + D + E]	405721	427379	21,658.00	5.067633178
4. CLOSING BALANCE :				
Cash Credit	0	10	10.00	100
Cash in hand / in Transit	542	4	-538.00	-13450
CLOSING BALANCE - NET	542	(6)	-548.00	9133.333333
5. NET CASH TO / (FROM) CO [1 + 2 - 3 - 4]	110838	68917	-41,921.00	-60.8282427

TABLE NO 11: TABLE SHOWING THE DATA OF INFLOW OF CASH

(Rs. In lakhs)

PARTICULARS	ACTUAL	BUDGETED	VARIANCE	VARIANCE%
2014-15	387891	363546.16	-24345.07	-6.69655963
2015-16	387891	474778	86,887.00	18.3005531
2016-17	511147	496296	-14,851.00	-2.99236746

GRAPH NO: 11 PRESENTING CASHFLOW



ANALYSIS AND INTERPRETATION

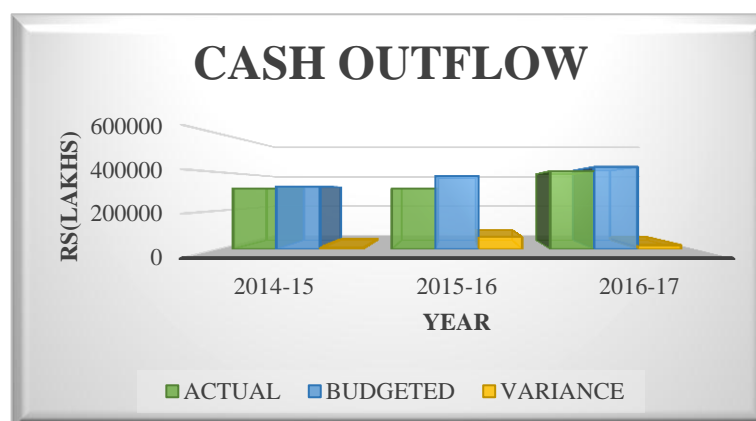
In the year 2014-14 and 2016-17 the actual value of cash inflow is more than the budgeted value of cash inflow by 6.69% and 2.99% respectively. In the year 2015-16 the actual value of cash inflow is less than the budgeted value of cash inflow by 18.30%.

From analyzing the above table, we can say in the year 2015-16 company has estimated more cash inflow than actual cash inflow because the actual value of customer advance and various other receipts of the budgeted value. In the year 2014-15 and 2016-17 the actual value of cash inflow is more than the company estimation which is favorable to the company.

TABLE NO.12 SHOWING THE DATA OUTFLOW OF CASH

PARTICULARS	ACTUAL	BUDGETED	VARIANCE	VARIANCE%
2014-15	316387	325760.8	-9373.80	-2.877510124
2015-16	316387	380573	-64,186.00	-16.86562105
2016-17	405721	427379	-21,658.00	-5.067633178

GRAPH NO: 12 PRESENTIN CASH OUTFLOW



ANALYSIS AND INTERPRETATION

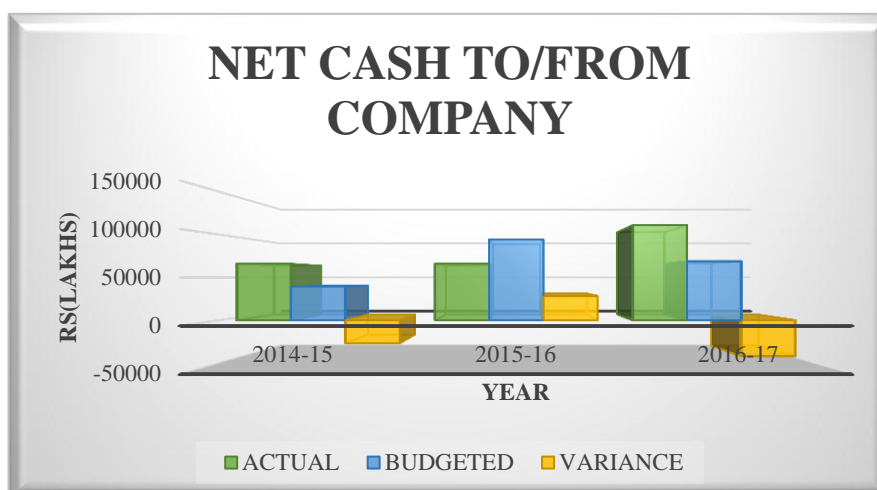
In the year 2014-15, 2015-16& 2016-17 the actual value of cash outflow is less than the budgeted value of cash outflow by 2.87%, 16.86% and 5,06% respectively.

From analyzing the above table, we can see that in all the 3 years actual value is less than the budgeted value which indicates cash outflow is less than what company is estimating and it is favorable to the company.

TABLE NO 13: TABLE SHOWING THE DATA OF NET CASH TO/FROM CO

PARTICULARS	ACTUAL	BUDGETED	VARIANCE	VARIANCE%
2014-15	65858	39089	-26768.87	-68.4816214
2015-16	65858	94204	28,346.00	30.09001741
2016-17	110838	68917	-41,921.00	-60.8282427

GRAPH NO:13 PRESENTING NET CASH TO/FROM COMPANY



ANALYSIS AND INTERPRETATION

In the year 2014-15 and 2016-17 budgeted value of net cash to/from company is less than the actual value by 68.48% and 60.82% respectively. In the year 2015-16 budgeted value of net cash to/from company is more than the actual value by 30.09%. In the year 2015-16 company has been left out with a massive value of surplus, which shows a variation of 30.09% since the budget committee has overly estimated the various payments. In year 2014-15 and 206-17 the actual net cash to/from co. is less compare to budgeted by. -68.48% and60.82% the reason may be the outflow of cash is more than company expectation.

RESEARCH & DEVELOPMENT BUDGET 2014-15

Particulars	Actuals 2013-14	Budget Estimates 2014-15	Revised Estimates 2014-15	Budget Estimates 2015-16	Forecast 2016-17
Materials	4883	8427	10603	16374	19130
Salaries & Wages	13323	12638	13208	15409	17553
Depreciation	1897	2340	2897	3120	4128
Other Expenses (incl. Allocated)	4220	3848	4283	4654	4961
Gross R & D Expenditure	24323	27252	30991	39557	45772

RESEARCH & DEVELOPMENT BUDGET 2014-15

Particulars	Actuals 2013-14	Budget Estimates 2014-15	Variance	Variance %
Materials	4883	8427	3544	42.05529845
Salaries & Wages	13323	12638	-685	-5.42016142
Depreciation	1897	2340	443	18.93162393
Other Expenses (incl. Allocated)	4220	3848	-372	-9.66735967
Gross R & D Expenditure	24323	27252	2929	10.74783502

RESEARCH & DEVELOPMENT BUDGET 2015-16

					[Value in ` lakh]
Particulars	Actuals 2014- 15	Budget Estimates 2015-16	Revised Estimates 2015-16	Budget Estimates 2016-17	Forecast 2017- 18
Materials	4883	16159	16604	18374	20130

Salaries & Wages	13323	13548	14065	15905	20503
Depreciation	1897	2807	1925	1990	2156
Other Expenses (incl. Allocated)	4220	4425	4280	4554	4861
Gross R & D Expenditure	24323	36939	36874	40823	47650

RESEARCH & DEVELOPMENT BUDGET 2015-16

Particulars	Actuals 2014-15	Budget Estimates 2015-16	Variance	Variance %
Materials	4883	16159	11276	69.78154589
Salaries & Wages	13323	13548	225	1.660761736
Depreciation	1897	2807	910	32.41895262
Other Expenses (incl. Allocated)	4220	4425	205	4.632768362
Gross R & D Expenditure	24323	36939	12616	34.15360459

RESEARCH & DEVELOPMENT BUDGET 2016-17

					[Value in ` lakh]
Particulars	Actuals 2015- 16	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18	Forecast 2018-19
Materials	8703	7786	8304	10470	11130
Salaries & Wages	11062	10454	12095	13908	14809
Depreciation	1579	1540	1930	2199	2399
Other Expenses (incl. Allocated)	3734	4976	5674	6154	7161
Gross R & D	25078	24756	28003	32731	35499

Expenditure					
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RESEARCH & DEVELOPMENT BUDGET 2016-17

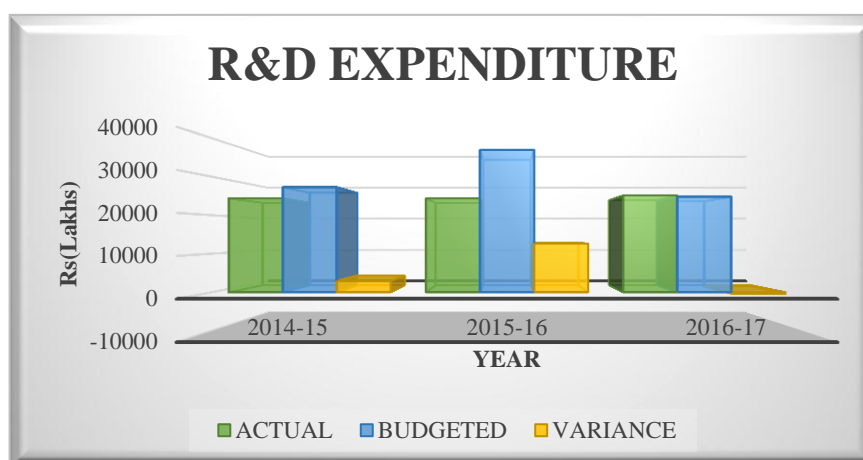
Particulars	Actuals 2015-16	Budget Estimates 2016-17	Variance	Variance %
Materials	8703	7786	-917	-11.7775494
Salaries & Wages	11062	10454	-608	-5.81595562
Depreciation	1579	1540	-39	-2.53246753
Other Expenses (incl. Allocated)	3734	4976	1242	24.95980707
Gross R & D Expenditure	25078	24756	-322	-1.30069478

TABLE NO 14: TABLE SHOWING THE DATA OF GROSS R&D EXPENDITURE

(Rs. In Lakhs)

YEAR	ACTUAL	BUDGETED	VARIANCE	VARIANCE%
2014-15	24323	27252	2929	10.74783502
2015-16	24323	36939	12616	34.15360459
2016-17	25078	24756	-322	-1.30069478

GRAPH NO: 14 PRESENTING R&D EXPENDITURE



ANALYSIS & INTERPRETATION

In the year 2014-15 and 2015-16 the actual value of R&D expenditure is less associated to the budgeted value of R&D by 10.74% and 34.15% respectively. The reason might be budget committee has analyzed the budgeted cost less on R&D activity than compared to the actual cost. In the year 2016-17 the actual value of R&D expenditure is more than the budgeted figures by 1.30%. Because of the variation of real expenses on the R&D activity.

FOREIGN EXCHANGE PAYMENTS BUDGET OF 2014-15					
				[Value in ` Lakhs]	
Particulars	Actuals 2013-14	Budget Estimates 2014-15	Revised Estimates 2014-15	Budget Estimates 2015-16	Forecast 2016-17
Capital	6100	8584	9686	11703	13203
Revenue	89170	82164	102310	110570	124770
Total	95270	90748	111996	122273	137973

FOREIGN EXCHANGE PAYMENTS BUDGET OF 2014-15

Particulars	Actuals 2013-14	Budget Estimates 2014-15	Variance	Variance %
Capital	6100	8584	2484	28.9375582
Revenue	89170	82164	-7006	-8.5268487
Total	95270	90748	-4522	-4.9830299

FOREIGN EXCHANGE PAYMENTS BUDGET of 2015-16

				[Value in ` Lakhs]	
Particulars	Actuals 2014-2015	Budget Estimates 2015-2016	Revised Estimates 2015-2016	Budget Estimates 2016-2017	Forecast 2017- 2018
Capital	6100	10084	10586	13703	14203
Revenue	89170	84563	105731	110459	126722
Total	95270	94647	116317	124162	140925

FOREIGN EXCHANGE PAYMENTS BUDGET of 2015-16

Particulars	Actuals 2014- 2015	Budget Estimates 2015- 2016	Variance	Variance %

Capital	6100	10084	3984	39.5081317
Revenue	89170	84563	-4607	-5.4480092
Total	95270	94647	-623	-0.6582353

FOREIGN EXCHANGE PAYMENTS BUDGET OF 2016-17					
[Value in ` Lakhs]					
Particulars	Actuals 2015-16	Budget Estimates 2016- 17	Revised Estimates 2016- 17	Budget Estimates 2017- 18	Forecast 2018-19
Capital	3173	10711	11260	12789	13110
Revenue	124487	137655	145757	169460	178743
Total	127660	148366	157017	182249	191853

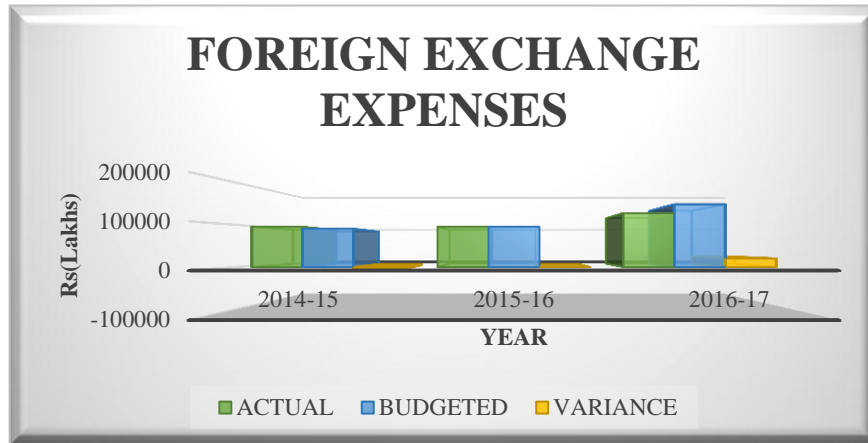
FOREIGN EXCHANGE PAYMENTS BUDGET OF 2016-17

Particulars	Actuals 2015- 16	Budget Estimates 2016-17	Variance	Variance %
Capital	3173	10711	7538	70.37624872
Revenue	124487	137655	13168	9.565943845
Total	127660	148366	20706	13.95602766

**TABLE NO 15: TABLE SHOWING THE DATA OF FOREIGN EXCHANGE EXPENSES
(Rs. In Lakhs)**

YEAR	ACTUAL	BUDGETED	VARIANCE	VARIANCE%
2014-15	95270	90748	4522	4.9830299
2015-16	95270	94647	623	0.6582353
2016-17	127660	148366	-20706	-13.95602766

GRAPH NO:16 PRESENTING FOREIGN EXCHANGE EXPENSES



ANALYSIS & INTERPRETATION

In the year 2014-15 & 2015-16 the actual value of foreign exchange expenses is more than the budgeted value by 4.98%, 0.65% respectively. In the year 2016-17 the actual value of foreign exchange expenses is less than the budgeted value by 13.95%. The fluctuation in foreign exchange expenses budget is because of the foreign exchange rate variance in every year. And imports fluctuate with the availability of materials in the local/domestic market.

CHAPTER 5

FINDINGS, SUGGESTIONS AND CONCLUSION

FINDINGS

The discoveries after the investigation of different reports of the organization, for example, Balance sheet, different budgets like Budget Operating Estimates, Cash budget, Research and Development budget, Inventory budget and Foreign Exchange Payment budget for a period for 2014-15 to 2016-17 are as per the following:

- Budgeted Operating Estimates from the year 2014 to 2017 delineates that there is a significant measure of variation amid the budgeted and actual i.e. This demonstrates budgets are either overly assessed or under evaluated. Consequently, the budgets ought to be arranged suitably on the incremental basis which would somehow or otherwise lead to main purpose of the budgeting being invalidated.
- There is a huge variation amid the budgeted estimation and actual value of net fixed asset 59.5% in 2014-15, 63.1% in 2015-16 and 42.16% in 2016-17 slight variance of own funds 7.58% in 2014-5, 25.69% in 2015-16 and 23.58% 2016-17, current assets of 19.67%, 8.6% and 0.31%, and current liabilities of 9.3%, 16.11% 0.72%.
- The cash budget obviously demonstrates that actual amount apportioned have overwhelmed the budgeted sum in the year 2014-15 (i.e. inflow of 6.69% and outflow of 68.48%) and 2016-17 (i.e. inflow of 2.99% and outflow of 60.82%). This demonstrates organization's utilization design has been on an expanding pattern and furthermore that the organization has a decent growth in sales which can be found in the organization's profits expanding over a period.
- The keeping up of inventory is done precisely and the stocks are not squandered. The variation of budgeted and actual of net inventory in 2014-15 and 2015-16 is less i.e. 3.39%, 5.17%, but in 2016-17 it is slightly high 20.24%.
- Revenues have expanded to incredible degree i.e. 410282 lakhs in 2014-15, 440163 lakhs in 2015-16 and 510638 lakhs in 2016-17 which has brought about the organization's development and soundness in doing its activities proficiently.
- Variation of budgeted and actual in gross R&D expenditure is slightly high 10.74% in 2014-15, 34.15% in 2015-16 and less in 2016-17 i.e. 1.3%.
- In foreign exchange expenses there is minor variation of budgeted and actual of 4.98% and 0.65% in 2014-15 and 2015-16 respectively but more in 2016-17 of 13.95%.
- The organization is concentrating on economy for which they have taken a progression of measures which are long term in nature, the limiting the risk engaged with foreign trade.

- The primary explanation behind change between the budgeted and actual value because of the over estimation of the project.
- The change is because of foreseen sales orders not emerging during the year, which has brought about the variance in the Operating Estimates, Inventory and Cash Flow budgets.
- Inconsistency in survey and detailing of advisory committee to finalize the Budget.
- Many new items included and affirmed items erased or conceded in Revised Budget.
- It is discovered that the change caused amongst budgeted and actual sum is from delaying of the tasks from one year to another year.
- Budgets are prepared in light of client necessities, new ventures under consideration, past execution.

SUGGESTIONS

By taking a gander at the different diagrams in the budgeting operating estimates we can state that there is a generous measure of variety amid the budgeted and actual. This demonstrates budgets are either overly assessed or under evaluated. In this way, the check by reason for budgeting will influenced. Along these lines, for the successful budgeting following recommendations are given:

- Measures must be taken by the finance department to gauge the budgeted figures appropriately to such an extent that it affirms to the actual around, as it was found that there is a wide variation between the budgeted and actual values.
- Inventory administration ought to be kept up more effectively by executing present day inventory control procedures, for example, Just in Time, Economic Order Quantity and cradle stock.
- The organization needs to ensure that money is used within the budgeted esteem, with the goal that the organization does not lose its liquidity.
- Sales budget demonstrate the focused-on turnover as well as point out to where endeavors must be made to secure orders if the objective is to be met.
- The interest of the considerable number of workers ought to be guaranteed while taking choices identified with Budget.
- Top administration ought to assemble consistent meeting of all division heads to talk about the progress and to take care of the issues in hand.
- To guarantee the better yearly target, it is important to perform consistently on quarterly premise thinking about future development and product life.
- Based on material utilization, the outcomes in respect to each Strategic Business Units (SBU) and these objectives ought to be contrasted and actual execution of each quarter. It is required to get

definite clarifications concerning variation between the actual and budgeted amid the quarterly outcomes.

- Based on the necessities, the organization needs to change procedure of budgeting process i.e., how detailed the procedure ought to be gone ahead, at what frequency and who all in the organization ought to be associated with the arrangement of budgets.
- The change in Revised Estimates ought to be kept to the base, since extensive scale changes will have negative effect in the reason for setting up the first budget estimates.
- As there is no proper check of the budgeted and actual they should keep a check by getting ready control ratios, budget is intended to change as per the level of action actually accomplished.
- The obligation ought to be given to the specific center, which is only a segment of an association, where an individual authority concerned is considered in charge of the execution of areas like-cost centers, investment center and profit center.
- Responsibility accounting ought to be taken after i.e. technique for collecting and reporting both budgeted and actual cost and income by individual manager in charge of them.
- Cash budget estimation uncover that the budgeted and the actual are not appropriate. This ought to be kept up in future and the surplus money ought to be adequately and ideally used.
- Since the budgeting and budgetary control frameworks are confounded appropriate training ought to be given to every single concerned authorities and officials who are part in planning Budget.
- As cost records are not kept by BEL they can keep up legitimate records for the future reason.
- Identify the additional use spent towards a specific territory and embrace measures to control cost. Preservation of power, minimization wastage of stationary and other use can add to decrease of pointless cost.

CONCLUSION

The examination is done on budgetary control framework in Bharat Electronics Limited to discover its adequacy.

Budgeting is thought to be an important activity for the procedure of any association and for the effective and efficient performance of the association. Budgetary control process ought not be only a center of top level administration and finance dept. yet there ought to be hierarchical wide committee for controlling expenses and amplifying benefits.

To study on budgetary control shows how the use of the various statements of budget improve decision making in relation to costing, transparency in administrative activities and helps taking corrective measure more quickly. It throws light on how crucial the budgetary control system is to coordinate the activities of various units to realize the vision and objectives of the company.

It is found from the investigation that the current budgeting framework is very much overseen and compelling, with couple of deviations. The organization is developing at a quick rate and demonstrating huge advance in the current years.

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ANNEXURE

FINANCIAL STATEMENT BALANCE SHEET (2016-17)

(Value in ` Lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
ASSETS		
(1) Non-current assets		
a. Property, plant and equipment¹	125,476	97,578
b. Capital work-in-progress	36,389	22,187
c. Investment property	12	13
d. Intangible assets	43	69
e. Intangible assets under development	29,242	20,784
F. Financial assets		
• Investments	45,970	31,911
• Trade receivables	-	-
• loans	3,729	2,621
• Other financial assets	3,151	2,986
g. Deferred tax assets (net)	53,228	46,078
h. Inventories	4,925	4,535
i. Other Noncurrent assets	11,301	4,805
	313,466	233,567
(2) Current assets		
a. Inventories	485,576	413,212
b. Financial assets		
• Trade receivables	435,488	371,193
• Cash & cash equivalent s	268,596	247,008
• Bank balances [other than (Cash & cash equivalent) above]	110,422	469,522
• Loans	4,328	5,928
• Other financial assets	26,993	22,290
c. Other current assets	60,753	49,682

d. Current tax assets(net)	9,991	-
	1,402,147	1,578,835
Total assets	1,715,613	1,812,402
Equity and Liabilities		
equity		
a. equity share capital	22,336	24,000
b. other equity	728,518	874,360
	750,854	898,360
LIABILITIES		
(1) non-Current Liabilities		
a. Government grants-deferred	827	472
b. Financial liabilities		
• Borrowings	1,667	-
• Trade payables	-	57
• Other financial liabilities	72	158
c. Provisions	89,242	69,933
d. Other non-current liabilities	1,469	1,876
	93,277	72,496
(2) Current Liabilities		
a. Government grants - deferred	20	3
b. Financial Liabilities		
• Trade payables	134,659	116,144
• Other financial liabilities	59,457	43,121
c. Other current liabilities	636,558	653,815
d. Provisions	40,788	21,789
e. Current tax liability (net)	-	6674
	871,482	841,546
Total Equity and liabilities	1,715,613	1,812,402

STATEMENT OF PROFIT & LOSS (2016-17)

(Value in ` Lakhs)

PARTICULARS	For the year ended 31 March 2017	For the Year ended 31 March 2016
1. Revenue from operation	914,044	769,537
2. Other income	47,101	53,708
3. Total Income (1+2)	961,145	823,245
4. EXPENSES		
• Cost of material consumed	429,653	369,214
• Cost of stores & spare consumed	3,288	2,927
• Purchases of stock in trade	50,281	33,936
• Changes in inventories of finished goods, work in progress & scrap	(41,913)	(23,420)
• Excise duty	52,856	36,751
• Employee benefits expense	154,831	125,726
• Finance costs	1,178	451
• Depreciation and amortization expense	19,152	17,221
• Other expenses	88,877	87,227
TOTAL EXPENSES	758,203	650,033
5. Profit before exceptional items & tax (3-4)	202,942	173,212
6. Exceptional items	-	-
7. Profit before tax (5+6)	202,942	173,212
8. Tax Expense		
• Current Tax	51,500	48,600
• Earlier Years	(873)	1
• Deferred taxes	(2,447)	(6,125)
Total provision for taxation	48,180	42,476
9. Profit for the year(7-8)	154,762	130,736
10. Other comprehensive income/(loss) Items that will not be reclassified subsequently to profit or loss		

• Re-measurement of the net defined benefit liability/asset	(13,890)	(3,420)
• Equity instruments through other comprehensive income	1	1
• Income tax relating to these items	4,704	1,183
Total other comprehensive income/(loss)(Net of tax)	(9,185)	(2,236)
11. Total comprehensive income for the year (9+10([comprising profit and other comprehensive income for the year])	145,577	128,500
12. Earnings per equity shares:		
• Basic [in Rupees]	6.64	5.45
• Diluted [in Rupees]	6.64	5.45



ACHARYA INSTITUTE OF TECHNOLOGY
DEPARTMENT OF MBA

INTERNSHIP WEEKLY REPORT (16MBAPR407)

Name of the Student : JAMUNA N S

Internal Guide : Dr PRAKASH B YARAGOL

USN No : 1AZ16MBA25

Specialization : Finance

Title of the Project : A study on Budgetary Control of BEL ltd

Week	Work Undertaken	External Guide Signature	Internal Guide Signature
17-01-2018 to 27-1- 2018	Understanding Structure, culture and functioning of the Organization		
29-01-2018 to 10-02-2018	Preparation of Research instrument for data collection		
12-02-2018 to 24-02-2018	Data Collection		
26-02-2018 to 10-03-2018	Analysis and finalization of report		
12-03-2018 to 17-03-2018	Submission of Report		

COLLEGE SEAL

