

---

## AN ANALYSIS OF FINANCIAL PERFORMANCE AND APPRAISAL OF PAPER INDUSTRY SPECIAL REFERENCE SBP MILL, ERODE

Dr. M. Prema\*<sup>1</sup>

\*<sup>1</sup>Assistant Professor In Commerce Annai Women's College, Punnamchatram,  
Karur, Tamilnadu, India.

---

### ABSTRACT

The audit of writing guides the scientists for showing signs of improvement comprehension of approach utilized, constraints of different accessible estimation techniques and information base and clear understanding and compromise of the clashing outcomes. Other than this, the survey of observational examinations investigates the roads for future and present research endeavours related with the topic. The objective of the study is to analysis the financial statement of Seshasayee Paper & Paper board Mill, Erode. The study is carried for a period of five years from 2017-2018 to 2021-2022. Data were collected from the secondary sources. To identify the financial statements of the company and al so understand the liquidity position. The tools used for analysis, Comparative Balance Sheet, Common Size Balance Sheet, Ratio Analysis.

**Keywords:** Ratio Analysis, Financial, Balance Sheet , Paper Mills, Liquidity Position.

---

### I. INTRODUCTION

SPB, the flagship company belonging to 'SPB-ESVIN GROUP', operates an integrated pulp, paper and paper board Mill at Pallipalayam, Erode-638 007, District Namakkal, Tamilnadu, India. An audit of these examinations is significant so as to build up a methodology that can be utilized with regards to the study of chosen Manufacturing Enterprises viz. Paper, Cement, Sugar, Steel, Minerals and Metals, Coal and Lignite, Power, Petroleum and Chemicals and Pharmaceuticals. In this manner, the present part audits the different ways to deal with the study on financial examination and performance.

"Heading for a Bright Future" has investigated the reasons for low limit use during the 1970s. He sees that the serious issue which causes the moderately low limit use incorporate the deficiency of crude materials, insufficient stockpile of intensity, coal and transport bottlenecks. He has additionally seen that the limit use in paper industry is affected by a few elements.

"Financial Ratio Analysis and Statistics" illuminated that the coefficient of variety in the study time frame had a wide hole differing between 7.1 percent and 51.3 percent for current ratio and ratio of fixed resources for deals. The relationship of segments of momentary liquidity ratio for the most part has low connection as against long haul dissolvability ratio segments yet the segments of the two ratios freely have very palatable connection in cotton material industry. The benefit ratio components in the industry additionally have very high relationship in cotton industry when contrasted with engineered industry

"Education and Environment Contribution of the Paper Industry" has announced that the development of the paper industry was amazing and that the yearly development rate over the period 1951-1986 was 8.7 percent for limit and that of creation, 7.4 percent. He has seen that the general limit usage had been declined from ninety six percent in 1951 to sixty percent in 1986. He has likewise seen that the limit use was not as per the development of limit of the paper industry.

"Paper Industry: An appraisal" brought up that the paper industry is an exceptionally capital escalated industry. Because of consistent ascent in the expense of sources of info, overwhelming overheads, scarcity of intensity and antagonistic effect of control arranges over the industry, this industry has been not able to work vivaciously. They have chosen a portion of the significant organizations for the examination during the period 1980-81 to 1985-86. The measurable examination shows that the gainfulness of these organizations during the period under audit isn't palatable. The productivity of these organizations has been hampered in view of powers over prices and generation of printing paper. The study inferred that the command over price and creation of printing paper ought to be evacuated.

## II. OBJECTIVE OF THE STUDY

- The objective of this study is to analyze the financial performance of SPB Mill
- To analyze the statements of the company with the help of tools like comparative balance sheet, common-size balance, ratio analysis

## III. REVIEW OF LITERATURE

Praveen Kumar Jain (2011) directed a study among seven paper organizations in India to "Break down the fundamental segments of Working Capital". The study uncovered that the present ratio in open division endeavors during the study time frame was seen as exceptionally whimsical while the equivalent in private segment endeavors enlisted persistent reduction. Most definitely, the study uncovered that it was profoundly spontaneous in open division undertaking units when contrasted with private part units. The study contributed much as far as understanding the significance of successful administration of working capital.

Srinivasa Rao and Indrasena Reddy (2012) in their study entitled "Financial Performance in Paper Industry-A Case Study" expressed that the financial situation of the organization had been improving from year to year. The company's performance comparable to producing inside assets as stores and surplus was astounding and furthermore was doing great in assembling outside assets. The liquidity position of the organization was sound as it was uncovered by present and fluid ratios which were over the standard. The dissolvability ratios demonstrated that the organization had been following the strategy of low capital equipping from 1990-91 as these ratios had been diminishing from this year. The performance of the organization corresponding to its benefit was not up to the normal level. The company's capacity to use resources for generation of offers had not been improved much during the study time frame as it was uncovered by its turnover ratios.

Sukamal Datta (2013) in his study entitled "Working Capital Management through Financial Statements: Analysis of Paper Industry in West Bengal" found that the greater part of the organizations were experiencing lack of working capital. One of the essential drivers of such lack of working capital was that the greater part of the organizations under study were not fit for acquiring satisfactory benefit and were likewise experiencing misfortunes. The extension of fixed states additionally caused the working capital emergency. The usage of store had not been secured by adequate measure of reserve by method for long haul venture.

Roger M. Shelor and et al. (2012) this study looks at changes in "Working Performance among Real Estate Investment Trusts" following an Initial Public Offering (IPO). The reason for existing is to decide if there is an upgrade in the estimation of the basic resource that is identified with the IPO. They examine equity, contract and expanded REITs independently. They likewise analyze the working performance of ongoing IPOs to those of prior years to address the effect of the 2011 Revenue Reconciliation Act on institutional investors' interest for REIT stock. In contrast to past examinations of mechanical firms, REITs were found to have noteworthy increments consequently on Assets and chose proportions of financial performance. The post-IPO aggregate stock price decay and recuperation is outlined.

Gangadhar (2014) has made an endeavor on "Financial Analysis of Companies in Criteria: A Profitability and proficiency center" one of the goals of the study is to dissect the liquidity position of the organizations and to bring up the elements answerable for such a position. It is inferred that the liquidity position was very disturbing since these are confronting interminable liquidity issues. Their extent current resources corresponding to the present liabilities are very low. It is recommended that, they might be improved by lessening extreme weight of current liabilities or expanding the degree of current resources relying on the necessities.

#### IV. DATA ANALYSIS AND RESULTS

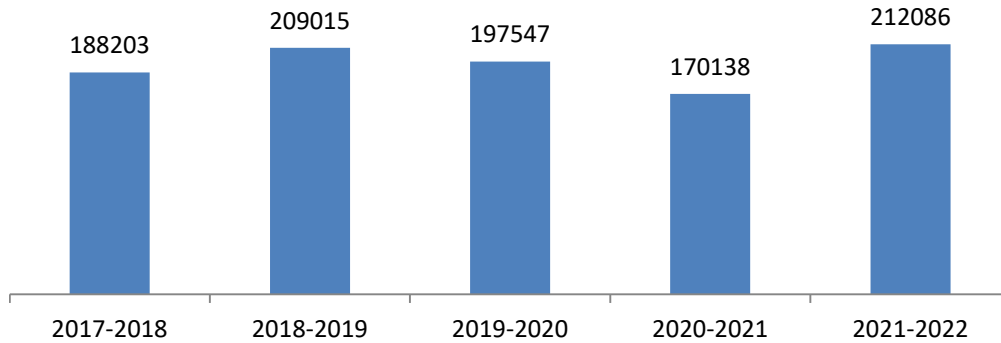


Figure No 1: Production (Tonnage)

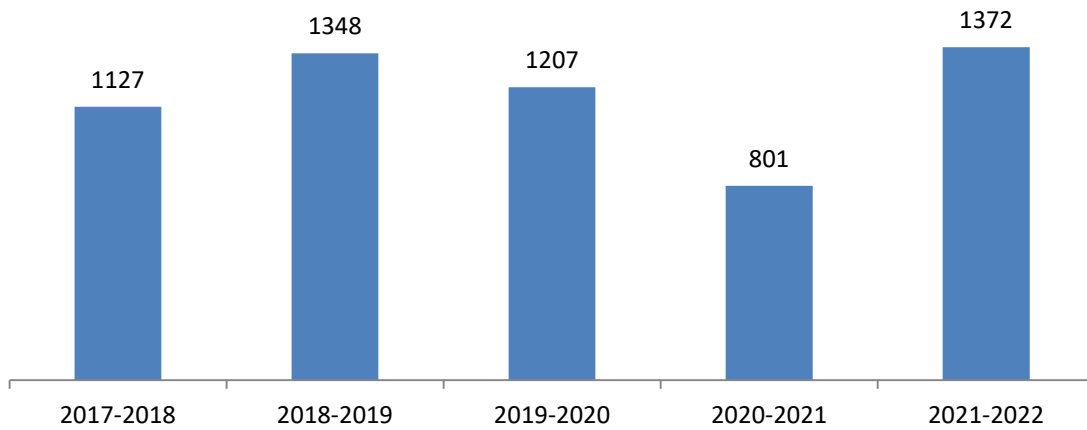


Figure No 2: Income (Crore)

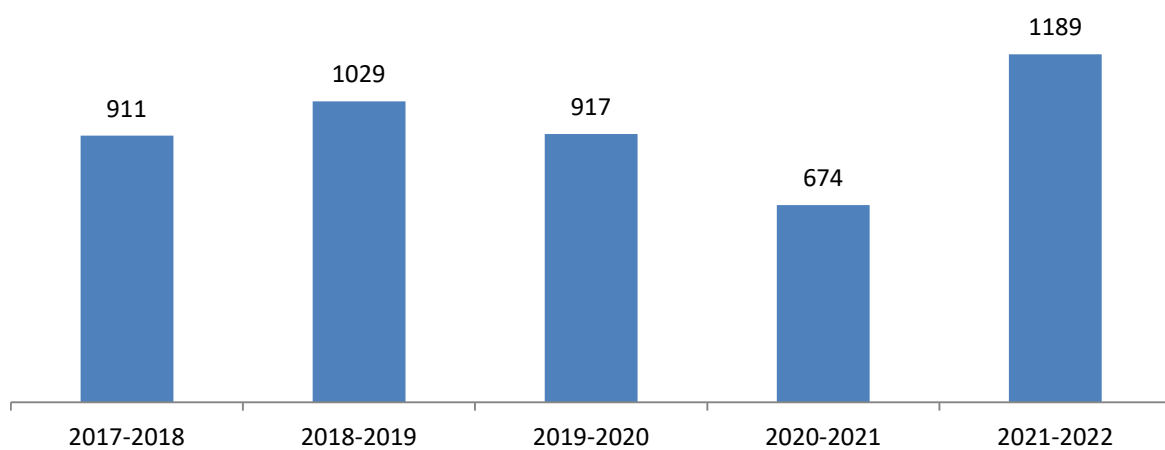
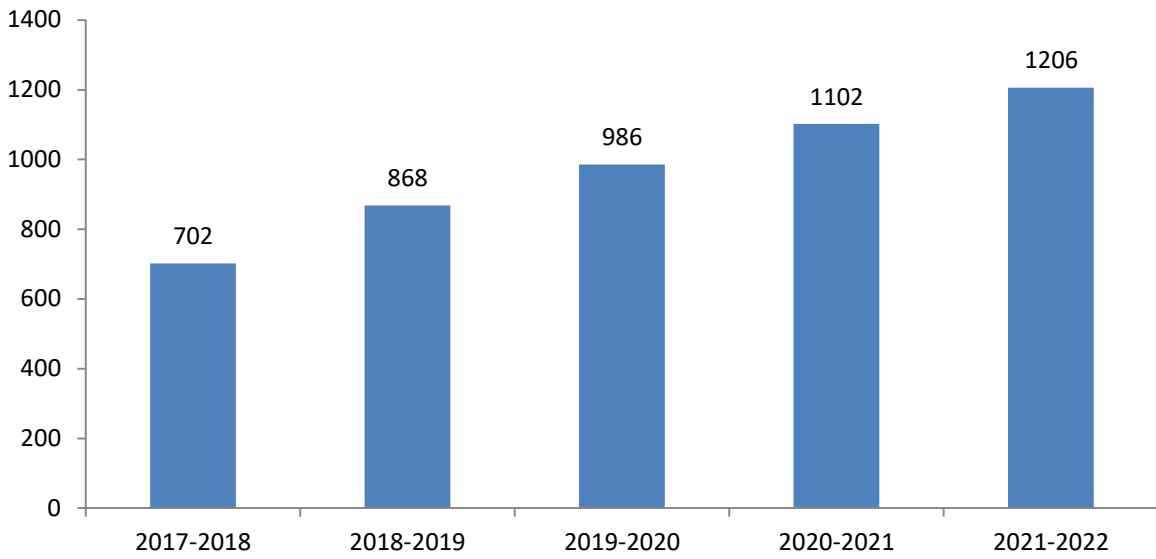
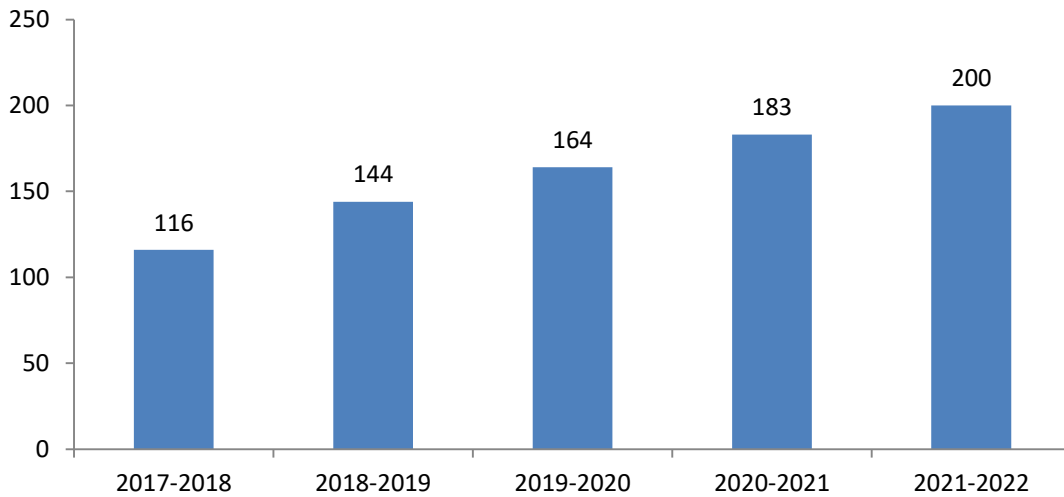


Figure No 3: Total Expenditure (Crore)



**Figure No 4:** Net worth (Crore)



**Figure No 5:** Book Value per Share

The Figure no 1 indicates the Production of the company during the study period of 2017-2022. The highest percentage was 1348 crore in the year 2018-2019 and the lowest percentage was 801 crore in the year 2020-2021. The Figure no 2 indicates the income of the company during the study period of 2017-2022. The highest percentage was 212086 ton in the year 2021-2022 and the lowest percentage was 170138 ton in the year 2020-2021. The Figure no 3 indicates the expenditure of the company during the study period of 2017-2022. The highest percentage was 1189 crore in the year 2021-2022 and the lowest percentage was 674 crore in the year 2020-2021.

The Figure no 4 indicates the expenditure of the company during the study period of 2017-2022. The highest percentage was 1102 crore in the year 2021-2022 and the lowest percentage was 1206 crore in the year 2020-2021. The Figure no 5 indicates the Share value of the company during the study period of 2017-2022. The highest percentage was 200 in the year 2021-2022 and the lowest percentage was 183 in the year 2020-2021.

## V. CONCLUSION

The Covid 19 has more impact on SBP growth. The analysis has shown fluctuations and have both good and bad sides during five years. The performance of the company seems to be in increase every year because of the increase in sales but the efficient management of adapting to changes is needed to run towards success. The company is having good reserves and reputation, which will lead to excellent progress in the fore coming

years. This is fully based on the past five year's reports. The study also provided knowledge about the comparative balance sheet, common size balance sheet and ratio analysis, which capture the predicative variability of company financial statement.

## VI. REFERENCES

- [1] Srinivasa Rao and Indrasena Reddy (2012). "Operating Performance Among Real Estate Investment Trust", Journal of Real Estate Research, Vol.16, Issue No.3, 1998, pp. 375-388.
- [2] Harris (2011) "Financial Analysis of Companies in Criteria: A Profitability and efficiency focus", The management Accountant, Vol.33, No.11, November 1998, pp.810-817.
- [3] Feroz and et al. (2013) "Working Capital Management of Paper Mills in Bangladesh- An Overall View," South Asian Journal of Management, Volume-7(1&2), January-2000, pp.78-90.
- [4] Alovsat Muslumov (2015) "Status and Growth of Paper and Pulp Board Industry in North India – A Case study", Indian Economic Panorama, Volume-13, No.1, 2003, pp. 49-52.
- [5] Burange and et al. (2018) "The Financial and Operating Performance of Privatization Companies in Turkish Cement Industry", METU Studies in Development, Dogus University, Volume.32, No.1, 2005, pp.59-100.
- [6] Ramanchandran and Janakiraman (2019) "Impact of Working Capital Management Policies on corporate Performance an Empirical Study", Global Business Review, Volume 8, 2007, pp.267-281.
- [7] Prasanta Paul (2011) "Performance appraisal of an Indian chemical industry after liberalization, Finance India", Volume 22, No.3, 2008, pp.571-580.
- [8] Neha Mittal (2011) "Liquidity performance relationship in Nigerian manufacturing companies (1990-2002)", Finance India, Volume II, Issue 3, March 2008, Pp.117-131.
- [9] Ahuja and Mujamdar (2017), "Performance of Indian Cement Industry: the Competitive Landscape", Journal of Finance, Volume. 39, No.1, April 2008, pp.127-145.
- [10] Sakthivel (2011), "The Relationship between Working Capital Management Efficiency and EBIT" Managing Global Transitions, Volume-7(1), pp.61-74.