

**Summer
Internship
Project
2022**

**ARSS INFRASTRUCTURE LIMITED
BHUBANESWAR**



SUBMITTED BY- MANINI NAYAK

REGD NO: 1813258020

IMBA 8TH SEMESTER BATCH (2018-2023)

*For the Partial Fulfillment of the Requirement for the Degree of in I-
MBA
TO*



**Biju Patnaik Institute of Information
Technology & Management Studies**

Under the guidance of:

**Internal Guide
Dr. Ramakrushna Mishra**

Associate Professor Finance

**External Guide
Mr. R.R Singh**

Chartered Accountant ,ARSS

DECLARATION

I do hereby declare that the project title “**Cash flow statement analysis**” of ARSS infrastructure project Ltd Bhubaneswar submitted by me for the partial fulfillment of the degree of integrated master in administration .it is the original piece of work carried out by me under the guidance and supervision of Mr. R.R. Singh, Chartered accountant of ARSS Infrastructure Project Ltd., Bhubaneswar and my internal guide DR. Ramkrushna Mishra. the information has been collected from genuine and authentic sources. It is my original work and the same has not been submitted for the award of any other degree diploma/fellowship or other similar titles or prize.

Place: Bhubaneswar

Manini Nayak

Date:

Regd no: 1813258020

ACKNOWLEDGEMENT

First of all, I would like to thank **ARSS Infrastructure Limited**, works to give me 45 days of their valuable time to train me about cash flow statement. I would like to thanks some estimated dignitaries who helped me to gain some knowledgeable inputs about the subject. Firstly, I would like to thanks **Mr. R.R. Singh** (Chartered Accountant) to give me an opportunity to do the project in ARSS. I am grateful to my faculty guide **Prof. Ramkrushna Mishra** whose practical knowledge and experience has helped me in understanding the research principles and relating it in the practical field. Lastly, I would like to thanks my colleagues (other summer interns) in ARSS Infrastructure Limited who were always there to help me.

MANINI NAYAK

Redg.no: 1813258020

Table of Contents

	PAGE. NO
CHAPTER-1	
1.1- INTRODUCTION-----	01
1.2-OBJECTIVE OF THE STUDY -----	02
1.3-SCOPE OF THE STUDY-----	02
1.4- METHODOLOGY-----	03
1.5- LIMITATION OF THE STUDY-----	03
CHAPTER-2	
2.1-COMPANY PROFILE-----	(5-6)
2.2-SECTORAL ANALYSIS-----	(7-8)
2.3-MISION AND VISION-----	09
2.4-SWOT ANALYSIS-----	(10-14)
CHAPTER-3	
3.0-ANALYSIS AND GRAFICAL PRESENTATIONOF THE STUDY-(16-24)	
3.1-CASH FLOW STATEMENT ANALYSIS-----	(16-18)
3.2-COMPETITOR ANALYSIS-----	19
3.3-CUSTOMER ANALYSIS-----	20
3.4-GRAPHICAL ANALYSIS AND PRESENTATION-----	(21-24)
CHAPTER-4	
4.0-FINDING AND SUGGESTIONS -----	(24-30)
4.1- FINDINGS AND ACTUAL WORKDONE-----	(26-29)
4.3- SUGGESTIONS-----	30
CHAPTER-5	
5.1-CONCLUSION-----	32
BIBLIOGRAPHY-----	
REFERENCES-----	

CHAPTER:1

1.1-INTRODUCTION

1.2-OBJECTIVE OF THE STUDY

1.3-SCOPE OF THE STUDY

1.4-METHODOLOGY

1.5-LIMITATION OF THE STUDY

1.1-INTRODUCTION

The statement of cashflow is very important to investors because it shows how much actual cash a company has generate. The income statement, on the other hand, often includes noncash revenue or expenses, which the statement of cash flows excludes.

One of the most important traits you should seek in a potential investment in the firm's ability to generate cash, many companies have shown profit on the income statement but stumbled later because of insufficient cash flows. A good look at the statement of cash flows for those companies may have warned investors that rocky times were ahead.

The three elements of the statement of cash flows company can generate and use cash in several different ways, the statement of cash flows is separate in three sections: cash flows operating activities, from investing activities, and from financing activities.

The cash flows from operating activities section shows how much cash the company generated from its core business as opposed to peripheral activities such as investing and borrowing. Investors should look closely at how much cash a firm generates from its operating activities because its paints the best picture of how well the business is producing cash that will ultimately benefit shareholders.

The cash flows from investing activities section shows the amount of cash firm spent on investments. Investments are usually classified as either capital expenditure money spent on items such as new equipment or anything else needed to keep the business running or monetary investments such as the purchase or sale of money market funds.

The cash flows from financing activities sections any activities section includes any activities involved in transaction with the company's owner or debtors for example, cash proceeds from new debt, from new debt or dividend paid investors would be found in this section.

The cash flow statement shows the following:

- ❖ How the company obtains and spend cash
- ❖ Why there may be difference between net income and cash flow
- ❖ If a company generates enough cash from operating to sustain the business
- ❖ If the company generate enough cash to pay off existing debts as they mature
- ❖ If the company has enough cash to take advantage of new investment of new investment opportunities.

1.2- OBJECTIVE OF THE STUDY: -

- ❖ To study on determining financial strength & weaknesses of ARSS Infrastructure Project Ltd.
- ❖ To study and analyze the cash flows of ARSS Infrastructure Ltd.
- ❖ To study and interpreting the cash operating profit of ARSS.

1.3- SCOPE OF THE STUDY: -

The present study is confirmed to ARSS Infrastructure Projects Limited only. Corporate office is situated at SBI colony Paschim vihar, new Delhi and register office is located at Mancheswar Industrial Estate, Bhubaneswar, Orissa ARSS Infrastructure project Ltd is a leading construction company in India. It also holds most of the projects, relating to construction highways in Orissa.

ARSS infrastructure projects Ltd, ISO 9000:2001 company (abbreviated as ARSS) was incorporate on 17th may 2000 under the jurisdiction of the register of the companies, Orissa. With present turnover of more than 65crores, the company has emerged as a measure contributor towards growth of more of infrastructure related activities in other sphere, in regard to developing infrastructure facilities related to central and state government and state government. Organization viz CPWD, state PWD and PSUs like RITES Ltd, rail Vikas Nigam Ltd. Etc.

The study aims at analyzing the financial statements of ARSS Infrastructure Projects Ltd. The time period assumed under the financial year i.e., 2019-20, 2020-21 & 2021-22.

The scope of study includes the following aspects: -

- ❖ Origin of ARSS Infrastructure projects Ltd
- ❖ Operation of ARSS Infrastructure Projects Ltd
- ❖ Work force distribution
- ❖ Information regarding finance department and its function.

1.4- METHODOLOGY: -

The study based upon the primary & secondary sources for gathering the required information.

Primary data sources: primary data are collected from individual, official, guides views & meeting the various financial executives of ARSS Infrastructure Project Ltd.

Secondary data sources: secondary data are collected from internal sources as well as from external sources.

The secondary sources include:

- ❖ Annual reports
- ❖ Commercial data
- ❖ Official records in the organization
- ❖ Files
- ❖ Books on subject
- ❖ Published reports relevant to the topic
- ❖ News, letter & other publications
- ❖ Website

1.5- LIMITATION OF THE STUDY: -

All relevant data were not available

Certain information was kept confidential by ARSS Infrastructure project Ltd. Managed on the ground of confidentiality.

Chapter :2

2.1-COMPANY PROFILE

2.2-SECTORAL ANALYSIS

2.3-MISSION AND VISION

2.4-SWOT ANALYSIS

COMPANY PROFILE

2.1-ARSS INFRASTRUCTURE PROJECTS LIMITED

Our company was incorporated as ARSS stones private limited on May 17, 2000 under the companies' act, 1956, with its registered office at N-1/93, IRC Village, Nayapalli, Bhubaneswar.

The registered office of our company was shifted to the plot no. 38, sector-A, Zone -D, Mancheswar industrial Estate, Bhubaneswar -751010 with effect from July 1, 2003.

On May 20, 2005, the name of our company was changed to ARSS Infrastructure projects private Limited.

Our company has been converted to a public limited company in pursuance of a special resolution passed by the members of our company at the extraordinary general meeting held on November 15, 2005.

The fresh certificate of incorporation consequent on change of name as a result of conversion of our company to a public company was issued on April 3, 2006 by registrar of companies, Orissa.

Registered Office

Plot no. 38, Sector-A, Zone-d
Mancheswar Industrial Estate,
Bhubaneswar-751010, Orissa
Tel: - + 91-674-2588554/52
Fax: +91-674-258074
Website: www.arssgroup.in

Corporate Office

Plot no. 141, SBI colony
Paschimvihar,
New Delhi-110063
Tel: - +91-11-2528733
Fax: +91-11-2528733

SUMMARY OF BUSINESS

Our Company is engaged in construction activities in India. We undertake construction of railway infrastructure, roads, highways, bridges and irrigation projects. We started as a construction company in the field of railway infrastructure development, mainly in the State of Orissa and subsequently expanded our business activities in the zonal jurisdictions of East Coast Railway. We have developed expertise in railway construction projects, which includes earthworks, major and minor bridges, supply of ballast, sleepers, laying of sleepers and rails, linking of tracks etc. Over the years we have diversified our field of activities into other construction segments such as development and construction of roads, highways, bridges, irrigation projects, EPC activities for railways.

Construction projects are typically awarded through competitive bidding process to bidders with certain eligibility requirements based on their past experience, technical capabilities and financial strength. We bid for projects both on a standalone basis as well as through project specific joint ventures. We have entered into joint ventures with national and international players such as PT Adhikarya (Persero), Harish Chandra (India) Limited, Triveni Engicons Private Limited, RITES, Kalindee Rail Nirman (Engineers) Limited, Patel Engineering Ltd., Rohit Kumar Das Construction Private Limited, Backbone Enterprises Ltd., Atlanta Ltd & Som Dutt Builders.

Our clients include Ministry of Railways, State Government of Orissa, Rail Vikas Nigam Limited, RITES Limited, IRCON International Limited, National Thermal Power Corporation, Hindustan Steel Corporation Limited, PWD- Orissa, IOCL, National Highway Authority of India. We have successfully completed around 200 Km rail line and about 300 Km of roads and highways.

We have a dominating presence in Eastern India, particularly in the State of Orissa. However, in recent years we have pursued opportunities in other parts of India including states of Chhattisgarh, Rajasthan, Jharkhand, Haryana and Tamil Nadu.

As of October 31, 2008, our work force consisted of approximately 3000 full time employees. We have track record of timely execution of our projects. We adhere to international best practices standards and have been certified with ISO 9001:2000 Quality Management System Standard Certificate by Moody International Certification Limited for "Construction of Civil Work-Like Road Projects, Major Bridges, Minor Bridges, Earthwork and Railway Track Linking Work." We are committed to adhering to health, safety and environment policies and practices in the execution of our projects.

In the financial year 2008, our total income was Rs. 312.50 crores and we earned net profit of Rs. 27.10 crores.

As of October 31, 2009, total value of our Order Book is Rs. 2353.79 lacs, which consists of the ongoing projects only.

2.2- SECTORAL ANALYSIS:

RAILWAY PROJECTS:

Our company is associated with Indian Railways since last seven years and had the opportunity of executing every type of work mentioned above starting from survey design to final commissioning of rail track even on EPC (Engineering, Procurement, and Construction) basis as well as for allied infrastructure like electrification, signaling, service, buildings, etc. In the process, we have not only acquired all the Plant & Machineries but also the intellectual know-how and trained manpower needed for executing such types of work. Sophisticated and costly design-drawing software, heavy earth moving machines, bridge work equipment's like cranes, piling machines, batching plants, transit mixture, concrete pumps, sophisticated girder manufacturing-launching machines and supports, track laying machines, rail flash butt welding machines, etc. for complete railway work requiring huge capital outlay.

ROAD PROJECTS:

In rural India the roads are not in a good state of condition the degraded road is not conducive for transportation. Although we have developed the managerial expertise for improvement of the condition of the roads, we also provide solution to traffic problem for the roads ultimately resulting a change.

In the Eastern region of India widening roads/repair and reconstruction in rural areas is extremely important as it makes possible for new development to occur further out in the region so that we can develop the infrastructure of the region and also, we can distance to the places we need to go freely and smoothly. By giving rural people facilities our economy will be developed.

We have focus on solving our traffic in urban roads congestion by repairing and improving problematic areas that already exist instead of pouring money into ineffective road projects. Money should be put toward improving congested roads and interchanges and bridges improving intersections with timed traffic lights and left turn lanes.

- ❖ **Cell:** Although it is difficult for design and acquiring land in some part we do develop and manage it by having a cell which helps us to reduce delays in project
- ❖ **Equipment:** In ARSS we have set up a team for the running maintenance of equipment's at various sites, which are situated in remote areas of different states of Orissa and Chhattisgarh
- ❖ **Timely Completion:** ARSS has started from the road construction work. It has gained tremendous experience in the road projects but timely completion of the road projects is the only major strength of the ARSS.

LIST OF MAJOR WORKS EXECUTED:

Major Bridges constructed by ARSS

1. Construction of sub-structure consisting of Pile and open foundation, piers, abutments and other ancillary works for 5 major bridges. CA No./IRCON/RVNL.RBRP/Major Bridges between Rajathagarh-Barang.
2. Construction of Road Over Bridge of Punamagate Railway level crossing including the approaches on Bhubaneswar of R.D.
3. Construction of Steel Girder Bridge (30.5m span) in the work "Railway Siding from Gatora to in plant yard (KM 0.963 to KM 12.880) for NTPC-SIPAT SSTPP PKG-1"
4. Construction four ROB's in the Railway Siding from Gatora to Inplant for NTPC Sipat (total 4 nos. of ROB).
5. Construction of three nos. PSC girder bridges (Major Bridges) of MGR system of NTPC Sipat ex Sipat to Dipka in Package-II and Package-V.

2.3-Vision:

- ❖ To be India's most trustworthy, growth-oriented and forward-looking construction company providing eco-friendly, customer-satisfying and safe solutions of international standard in residential, commercial, industrial as well as infrastructure sector throughout the country meeting challenges effectively and setting trends in quality, integrity and efficiency of services.
- ❖ The company has vision to become a global major player in the field of infrastructure sector by creating quality integrated facilities in the country.
- ❖ The company wants to become "COMPANY FOR EXCELLENCE" by satisfying customer and enhancing shareholder wealth.
- ❖ ARSS will attract develop and certain their potential employee in the industry.
- ❖ ARSS will focus on culture of trust and provide continuous learning opportunities to their employees.

MISSION:

- ❖ deliver such construction solutions as to become a global leader in product costing and designing while proving excellence in meeting most stringent requirements in quality, timely delivery, safety and environmental sustainability;
- ❖ To thrive on an organizational culture based on productivity, systematic capacity development, unfailing commitment to results, and continuous product innovation and to customization in fulfilling customer requirements; and
- ❖ To sustain organizational growth, establish distinct global identity and leadership in real estate and infrastructure sectors, and diversify such leadership to other sectors (i.e., marine, power, aviation, etc.) in a planned manner.

VALUE:

- ❖ Commitment to quality and timeliness in providing products and services;
- ❖ Continuous capacity improvement and use of latest technology to deliver tomorrow's solution today;
- ❖ Customer satisfaction is the final symbol of achievement in our projects;
- ❖ Maintaining long-term and mutually beneficial relationships with our clients, shareholders and investors, while adhering to safety, ethical, legal, cultural and environmental requirements.

2.4- SWOT ANALYSIS:

Introduction to SWOT Analysis of ARSS Infrastructure

SWOT stands for an organization's **Strengths, Weaknesses, Opportunities and Threats**. At Oak Spring University, we believe that ARSS Infrastructure can use SWOT analysis as a strategic management tool to assess the current internal strengths and weaknesses of the ARSS Infrastructure, and to figure out the opportunities and threats in the macro environment – technological, environmental, political, economic, social, demographic, etc in which ARSS Infrastructure operates in.

According to Harvard Business Review, 75% of the managers use SWOT analysis for various purposes such as – evaluating current scenario, strategic planning, new venture feasibility, personal growth goals, new market entry, Go To market strategies, portfolio management and strategic trade-off assessment, organizational restructuring, etc.

SWOT analysis of ARSS Infrastructure can be done for the following purposes –

1. Strategic planning of ARSS Infrastructure
2. Improving business portfolio management of ARSS Infrastructure
3. Assessing feasibility of the new initiative in India
4. Making a Construction Services sector specific business decision
5. Set goals for the organization
6. Organizational restructuring of ARSS Infrastructure

Strength of the company:

The following can be the strength of the company:

- ❖ ARSS Infrastructure is known for sticking to its project targets. This enables the firm to manage – time, project costs, and have sustainable margins on the projects.
- ❖ The customer experience strategy of ARSS Infrastructure in Construction Services industry is based on four key concepts – personalization, simplification of complex needs, prompt response, and continuous engagement.
- ❖ ARSS Infrastructure is one of the most innovative firms in Construction Services sector.
- ❖ Suppliers of ARSS Infrastructure in the Capital Goods sector have low bargaining power. ARSS Infrastructure has further diversified its supplier's portfolio by building a robust supply chain across various countries. This helps ARSS Infrastructure to manage not only supply disruptions but also source products at highly competitive prices.
- ❖ The high switching costs that ARSS Infrastructure has built up over years in its products and services combo offer has resulted in high retention of customers, lower marketing costs, and greater ability of the firm to focus on its customers.
- ❖ Horizontal connected teams at the ARSS Infrastructure are driving operational speed, building greater agility, and keeping the organization nimble to compete with new competitors. It helps are organization to ideate new ideas, and execute them swiftly in the marketplace.
- ❖ ARSS Infrastructure is present in almost all the verticals within the Construction Services industry. This has provided ARSS Infrastructure a diverse revenue stream that has helped it to survive disruptions such as global pandemic in Covid-19, financial disruption of 2008, and supply chain disruption of 2021.
- ❖ ARSS Infrastructure is one of the leading players in the Construction Services industry in India. It is in a position to attract the best talent available in India. The firm has a robust talent identification program that helps in identifying the brightest.
- ❖ Time and efficiency are interdependent variable factors because construction companies have to complete the project on a specific date, and ARSS aims at providing efficiency at every point for smooth work.
- ❖ Allocating resources among the workers, and assign them different tasks based on their capabilities to get the work done is an important skill of management and ARSS is dedicated to that.
- ❖ Majority of clients are the government of the state or central government, public sector undertaking and other government agencies.

Weakness of the company:

The following can be the weakness of the company:

- ❖ Outside its home market of India, ARSS Infrastructure needs to spend more promotional, marketing, and advertising efforts to penetrate international markets.
- ❖ Even during the low interest decade, ARSS Infrastructure has not been able to do capital spending to the tune of the competition. This has resulted into fewer innovations and company facing stiff competition from both existing competitors and new entrants who are disrupting the Construction Services industry using digital technology.
- ❖ Compare to the competitors, ARSS Infrastructure has high operating costs in the Construction Services industry. This can be harder to sustain given the new emerging competition from nimble players who are using technology to attract ARSS Infrastructure lucrative customers.
- ❖ Compare to the competition, ARSS Infrastructure has borrowed money from the capital market at higher rates. It needs to restructure the interest payment and costs so that it can compete better and improve profitability.
- ❖ To increase the profitability and margins on the products, ARSS Infrastructure needs to provide more differentiated products than what it is currently offering in the marketplace.

Opportunity of the company:

- ❖ ARSS Infrastructure has focused on building a highly responsive customer relationship management platform. This platform is built on in-house data and driven by analytics and artificial intelligence. The customer analytics can help the organization to fine tune its loyalty marketing efforts, increase the wallet share of the organization, reduce wastage on mainstream advertising spending, build better pricing strategies using personalization, etc.
- ❖ The success of analytics program of ARSS Infrastructure has opened avenues for new revenue streams for the organization in Construction Services industry. This can help ARSS Infrastructure to build a more holistic ecosystem for ARSS Infrastructure products in the Construction Services industry by providing – data insight services, data privacy related products, data-based consulting services, etc.
- ❖ Even though inflation is raising its head in most developed economies, ARSS Infrastructure can still utilize the low interest rates to borrow money for capital investment. Secondly it can also use the increase of government spending in infrastructure projects to get new business.
- ❖ As the United States and other governments are increasing social spending and infrastructure spending to build economies post Covid-19, ARSS Infrastructure can use these opportunities to build new business models that can help the communities that ARSS Infrastructure operates in. Secondly it can use opportunities from government spending in Construction Services sector.
- ❖ ARSS Infrastructure can develop new processes and procedures in Construction Services industry using technology such as automation using artificial intelligence, real time transportation and products tracking, 3D modeling for concept development and new products pilot testing etc.
- ❖ 5G expansion will open new opportunities for ARSS Infrastructure in the field of marketing communication. It will bring down the cost of doing business, provide technology platform to build new products in the Construction Services industry, and it will provide faster access to the consumers.

Threats of the company:

- ❖ The colonial pipeline illustrated, how vulnerable modern organization are to international hackers, miscreants, and disruptors. The cyber security interruption, data leaks, etc. can seriously jeopardize the future growth of the organization.
- ❖ There is a high probability of declining consumer confidence, given – high inflammation rate, rise of gig economy, lower job stability, increasing cost of living, higher interest rates, and aging demography. All the factors contribute to people saving higher rate of their income, resulting in lower consumer demand in Construction Services industry and other sectors.
- ❖ Easy access to finance in Construction Services industry will also reduce the barriers to entry in the industry, thus putting downward pressure on the prices because of increasing competition. ARSS Infrastructure can utilize it by borrowing at lower rates and invest it into research and development, capital expenditure to fortify its core competitive advantage.
- ❖ During the Covid-19, Dow Jones has touched record high. The valuations of a number of companies are way beyond their existing business model potential. This can lead to capital market correction which can put a number of suppliers, collaborators, value chain partners in great financial difficulty. It will directly impact the business of ARSS Infrastructure.
- ❖ Post Covid-19 there is a sharp increase in the wages especially in the jobs that require interaction with people. The increasing wages can put downward pressure on the margins of ARSS Infrastructure.
- ❖ ARSS Infrastructure can face lack of demand in the market place because of Fed actions to reduce inflation. This can lead to sluggish growth in the economy, lower demands, lower investments, higher borrowing costs, and consolidation in the Construction Services industry.
- ❖ ARSS Infrastructure needs to have a robust strategy against the disruptions arising from climate change and energy requirements. EU has identified it as key priority area and spending 30% of its 880 billion Euros European post Covid-19 recovery funds on green technology. ARSS Infrastructure can take advantage of this fund but it will also bring new competitors in the Construction Services industry.
- ❖ US Congress and other legislative arms of the government are getting tough on big business especially technology companies. The digital arm of ARSS Infrastructure business can come under increasing regulations regarding data privacy, data security, etc.

CHAPTER:3

3.1- CASH FLOW STATEMENT ANALYSIS

3.2- COMPETITORS ANALYSIS

3.3- CUSTOMER ANALYSIS

3.4- GRAPHICAL ANALYSIS AND FINDINGS

3.1-CASH FLOW STATEMENT:

A cash flow statement is a financial statement that presents total data. Including cash inflows, a business gains from its continuing progress and external financing sources, as well as all cash outflows that pay for trading activities and finances during a delivered time. In other words, a cash flow statement is a financial statement that estimates the cash produced or used by a firm in a presented time.

As mentioned initially, the cash flow statement furnishes data about the shift in the position of Cash Equivalents and Cash of a firm, over an accounting period. The pursuits according to this change are incorporated into investing, financing and operating. However,

- ❖ While outlining a cash flow statement, complete specifications of outflows and inflows are furnished below these titles involving the net cash flow (or use)
- ❖ The average of the net 'cash flows (or use) is operated out and is given as 'Net Increase or Decrease in Cash Equivalents and cash' to which the amount of 'cash and cash equivalent at the commencement' is summed and therefore the quantity of 'cash and cash equivalents at the end' is reported.
- ❖ This total will be the same as the entire amount of cash at bank, cash equivalents (if any) and cash in hand presented in the balance sheet.
- ❖ Then, if the cash flows from operating activities are formed by direct method while outlining the cash flow statement, it will be known as 'direct method Cash Flow Statement'.
- ❖ Though, unless it is stipulated precisely as to which approach is to be imbibed, the cash flow statement may first be outlined by an indirect method as is prepared by most organisations in work.

CLASSIFICATION OF CASH FLOWS

According to AS-3 (revised) cashflow for a period can be classified into three categories i.e.,

- ❖ Cash flow from operating activities is drive from the principal revenue producing activities of the enterprise.
- ❖ Cash flow from investing activities are the activities involving acquisition and disposal of the long-term asset and other investment not included in cash equivalent.
- ❖ Cash flow from financing activities are activities that result in the change in the size and composition of the owner's capital including performance share capital and borrowing of the enterprise.

OBJECTIVES:

The Main Objectives Are:

- ❖ To provide information about cash inflows and outflows from operating, investing and financing activities.
- ❖ To determine net changes in cash and cash equivalents.

SCOPE:

- ❖ It gives the main items of inflows and outflows of cash only does not show the liquidity position of the company.
- ❖ This statement is not a substitute of income statement which shows both cash and noncash items.
- ❖ Therefore, net cash flows do not necessarily mean net income of the business
- ❖ It can't replace the funds flow statement as it can't show the financial position of the concern in totality.

CASH INFLOWS:

- ❖ Receipts from trade
- ❖ Customers
- ❖ Sale of share capital
- ❖ Cash sales
- ❖ Govt. grants
- ❖ Receipts from factoring
- ❖ Personal funds invested

CASH OUTFLOWS:

- ❖ Payment of wages & salaries
- ❖ Payment of supply
- ❖ Buying equipment
- ❖ Interest on bank loan and overdraft
- ❖ Payment of dividends
- ❖ Repayment of loan
- ❖ Income tax, vat & corporation tax
- ❖ Payment of leasing or hire

Advantages of Cash Flow Statement:

- ❖ A cash flow statement, when employed with other financial reports, permits users to assess variations in net assets of a firm and its economic system. It involves liquidity and stability, the capability to influence the amounts and timings of cash flows to adjust to varying conditions and possibilities.
- ❖ Cash flow data evaluate the capability of a firm to produce cash and cash equivalents. It permits users to generate models to assess and analyze the existing value of the expected cash flows of various companies.
- ❖ It also assists in stabilizing its cash inflow and outflow, following in acknowledgement to the varying situation. It is also essential in verifying the correctness of prior estimates of anticipated cash flows and in exploring the association between profitability and net cash flow and the result of varying cost prices.

Limitations Of Cash Flow Statement

- ❖ Ignores Non-cash transactions
- ❖ Ignores the accrual concept
- ❖ Historical in Nature
- ❖ Not a Substitute for an Income Statement
- ❖ Not suitable for judging Liquidity of the enterprise

3.2-COMPETITORS

- ❖ Larsen & Toubro
- ❖ IRB Infrastructure Developers
- ❖ G R Infraprojects
- ❖ KEC International
- ❖ KNR Construction
- ❖ PNC Infratech

3.3-THE CUSTOMERS:

The company is totally entrusted in its customer satisfaction and confidence based on its providing services. The company's valued customers are:

- ❖ Govt. of Orissa
- ❖ Govt. of Haryana
- ❖ Rail Vikas Nigam Limited
- ❖ RITES Limited
- ❖ IRCON International Limited
- ❖ National Thermal Power Corporation (NTPC)
- ❖ National Highway Authority Indian (NHAI)
- ❖ ESSEL Mining
- ❖ Damodar Valley Corporation
- ❖ Orissa State Disaste Mitigation Authority (OSDMA)
- ❖ Indian Oil Corporation Limited (HPLC)
- ❖ Jaipur Development Authority
- ❖ East Cost Railway
- ❖ South Eastern Railway
- ❖ North Western Railway
- ❖ Southern Railway
- ❖ Central Railway

3.4-Cash Flow Statement:

Cash flow statement of ARSS Infrastructure Ltd. For the ended 31st March 2018-21(Rs in Lakhs)

PARTICULARS	2017-18	2018-19	2019-20	2020-21
Cash flow from operating activity				
Profit before tax from continuing operations	(7,877)	(1,683)	988.53	(5,060.51)
Profit and loss before tax from discontinuing operation	-	-	-	-
Profit before tax	(7,877)	(1,683)	988.53	(5,060.51)
Adjustments for				
Depreciation on property, plant and equipment	2,394	2,201	2,082.49	1,081.95
Loss/ Gain on property, plant and equipment	9,284	111	111.10	151.10
Re-measurement of defined benefit plan	(5)	5	5.22	-
Interest income	(1,261)	(956)	130.77	73.11
Interest expenses	3,724	2,753	347.10	211.61
Dividend income	-	-	-	-
Operating profit/ (loss)before working capital changes	6,259	2,431	3,665.20	(3,542.80)
Working capital adjustments:				

Increase/(decrease)in short-term borrowings	226	66,684	(3,990.63)	(1,675.66)
Increase/(decrease)in trade payables	86	393	(1,971.30)	(221.66)
Increase/(decrease)in other current liabilities	33	2,339	410	(307.29)
Increase/(decrease)in other long-term liabilities	1	-	-	-
Decrease/(increase)in Trade receivables	3,134	(2,326)	6,017.96	(870.24)
Decrease/(increase)in inventories	(306)	(523)	(1,296.35)	5353.14
Decrease/(increase)in provisions	1	28	30.75	-
Decrease/(increase) in other current assets	419	456	(646.27)	(1,624.62)
Decrease/(increase) in bank balances with maturity greater than 3 moths	2,444	1,043	119.80	570.85
Decrease/(increase) in other non-current assets	(45,019)	1	(0.16)	0.62
Decrease/(increase) in other non-current financial assets	36,419	-	-	-
Decrease/(increase) in other current financial assets	2	(1,208)	(4,330.70)	(335.22)

Increase/(decrease) in other non-current liabilities	1,594	(108)	-	741.83
Increase/(decrease) in other non-current financial liabilities	(858)	-	-	-
Increase/(decrease) in other current financial liabilities	-	203	(1,213.90)	(166.69)
Decrease/(increase) in short term loans and advances	-	209	(795)	1,247.09
Decrease/(increase) in long term loans and advances	138	2	(0.32)	(0.82)
	1,389	69,524	(4,000.25)	(831.48)
Income tax paid	712	(320)	270.93	-
NET CASH INFLOW FROM OPERATING ACTIVITIES (A)	2,092	69,204	(3,729.32)	(831.48)
Investing activities				
Purchase of property, plant and equipment	(53)	(59)	(18.52)	(435.57)
Purchase of intangible assets	-	-	-	-
Proceeds from sales of property, plant and equipment	351	91	12.82	83.15
Purchase/(sales) of investment	(48)	(280)	(1,107.48)	2,303.56
Interest received (finance income)	1,261	956	(130.77)	(73.11)

NET CASH FLOW FROM INVESTING ACTIVITIES (B)	1,511	709	(1,243.96)	1,878.03
Financing activities				
Proceeds from issue of equity shares	789	-	-	-
Proceeds from securities premium	5,210	-	-	-
Interest paid	(3,724)	(2,753)	(347.10)	(211.61)
Proceeds/(repayment) from borrowing	(1,030)	(65,827)	(478.53)	-
Dividends paid including dividend distribution tax	-	-	-	-
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES	1,245	(68,580)	(825.63)	(211.61)
Net increase (decrease) in cash and cash equivalents(A+B+C)	4,853	1,333	(5,798.90)	834.94
Cash and cash equivalents at the beginning of the year	1,627	6,480	7,813.21	2,014.30
Cash and cash equivalent at the end of the year	6,480	7,813	2,014.30	2,849.23

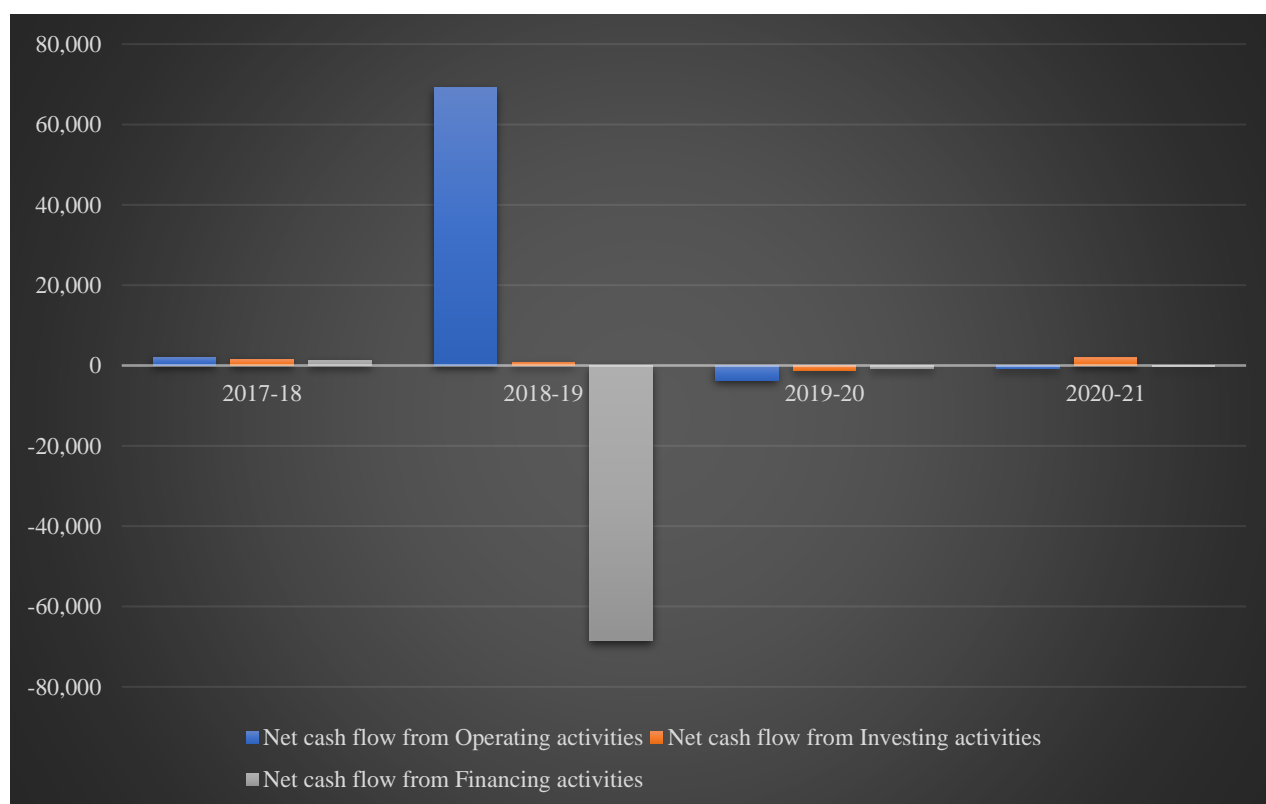
CHAPTER: -4

4.1- FINDINGS OF THE STUDY & ACTUAL WORK DONE

4.2- SUGGESTIONS

4.1- Analysis of net cash flow from Operating, Investing, & financing activities (Amount in lakhs)

Particular	2017-18	2019-20	2019-20	2020-21
Net cash flow from Operating activities	2,097	69,204	(3,729.32)	(831.48)
Net cash flow from Investing activities	1,511	709	(1,243.96)	1,878.03
Net cash flow from Financing activities	1,245	(68,580)	(825.63)	(211.61)



INTERPRETATION:

The term operating activities mean normal business transactions pertaining to purchase and sale of goods and services. There are some items shown as expenses in the profit and loss statement which do not result in the outflow of cash. Depreciation is shown as expense in the profit and loss statement which reduces the profit made during the year without reducing the cash balance as it is a non-cash item. Loss on sale of fixed assets is taken to the profit and loss statement so that operating profit can be ascertained. Total amount of cash received from sale of fixed assets is shown separately in the cash flow statement as inflow of cash. The reason behind adding back non-cash expenses is they are not actually expensed in cash (but in the record). Computing the amount of working capital gives a quick analysis of the liquidity of the business over the future accounting period. If working capital appears to be sufficient, developing a cash flow budget may not be critical. But if working capital appears to be insufficient, a cash flow budget may highlight liquidity problems that may occur during the coming year. Current assets and current liabilities go on changing frequently. These changes do not affect the amount of net profit but they affect the amount of cash generated from operating activities. Decrease in current assets increases the cash from operating activities and vice versa. Decrease in current liabilities decreases the cash from operating activities and vice versa.

In the year 2017-18 the net cash flow from operating activities was Rs 2,097. There was a increase of Rs 67107 net cash flow from operating activities on the year 2019-20. From 2019-20 the net cash flow from operating activities showed a decreasing trend. Negative cash flow is when your business has more outgoing than incoming money. You cannot cover your expenses from sales alone. It might be because the company has spent too much on materials and labor, or the customers didn't pay quickly enough, so net operating cash flow is negative. There are other reasons why a company might have overall negative cash flow, such as making long term infrastructure investments. But if cash flow specifically from operating activities is insufficient, then company either aren't earning sufficient amounts to cover the expenses or aren't getting paid quickly enough. So, it is advised to look at both business model and your payment terms.

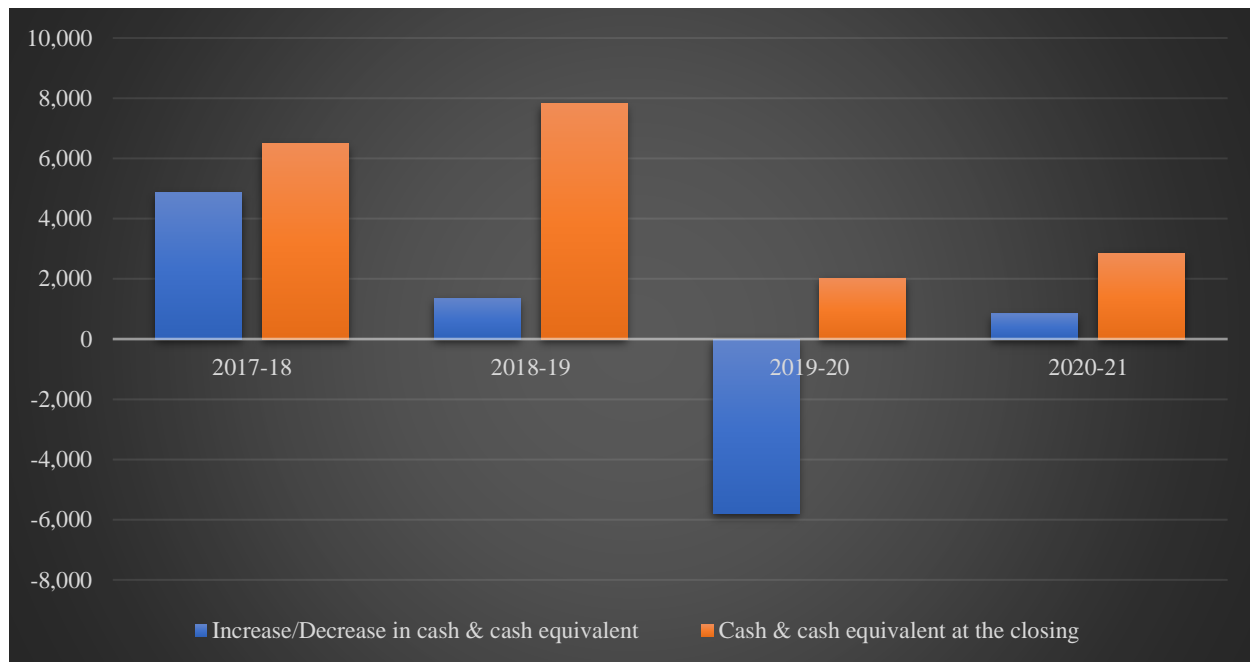
Investing activity is an important aspect of growth and capital. Cash flow from investing activities reports how much cash has been generated or spent from various investment-related activities in a specific period. Investing activities include purchases of physical assets, investments in securities, or the sale of securities or assets. Cash flow from investing activities is showing a decreasing trend from the year 2017-18 to 2019-20 except it showing an increasing trend in the year 2020-21. Negative cash flow indicates of a company's poor performance. However, negative cash flow from investing activities might be due to significant amounts of cash being invested in the long-term health of the company, such as research and development. When investors and analysts want to know how much a company spends on property, plant, and equipment, they can look for the sources and uses of funds in the investing

section of the cash flow statement. In the year 2020-21 the cash flow from investing activities is positive, that means the company is divesting its assets, which increases the cash balance of the company (i.e., sale proceeds).

Cash flow from financing activities measures the movement of cash between a firm and its owners, investors, and creditors. The cash flow from financing activities helps investors see how often and how much a company raises capital and the source of that capital. The reasons for negative cash flow from financing activities might be because of stock repurchases, dividends or paying down debt. Cash flow from financing activity is showing a negative and decreasing trend. A negative figure indicates when the company has paid out capital, such as retiring or paying off long-term debt or making a dividend payment to shareholders

Analysis of Net increase /decrease in cash flow & cash equivalent at closing (amount in lakhs)

Particular	2017-18	2018-19	2019-20	2020-21
Increase/Decrease in cash & cash equivalent	4,853	1,333	(5,798.90)	834.94
Cash & cash equivalent at the closing	6,480	7,813	2,014.30	2,849.23



INTERPRETATION:

There has been an increase of cash & cash equivalent in the FY of 2020-21 it was RS. 832 lakhs whereas the last year of cash & cash equivalent of the company was negative i.e., RS. -5,799 lakhs. It shows that the liquidity position of the company is started increasing.

A company with higher liquidity ratios is considered healthier and poses less of a risk. This company will also receive a lower interest rate, which translates into higher profitability.

The cash & cash equivalent at the closing of the FY of 2020-21 was also increases that was RS. 2,849 lakhs as compared the FY of 2017-18,2018-19 & 2019-20, which was the value of RS. 6,480 lakhs, RS. 7,813lakhs, RS. 2,014 lakhs respectively.

ACTUAL WORK DONE:

During my During the duration of the training of the 45 days I was assigned to various roles in the finance department of the ARSS group. The following are the things which I have learnt in the duration of my internship.

I) Stock Market Analysis

II) Auditing

III) Taxation

I) Stock Market Analysis: On first few days of our internship, they asked us to prepare a analysis report of five companies of nifty fifty, in that we have to analyse all the ratios of the past data of the company and we have to choose the best company out of those five companies where we can invest our money.

II) Auditing: And after we completed the stock market analysis part, they have given us the auditing work of their materials purchase books, we have audited the whole book of financial year 2021-22. And after this we had also audited the asset purchase book of the year. In this we learnt a lot of things about the taxation rate and the tds rate and how the company is managing its purchase.

III) Taxation: And after the auditing work is completed the company gave us the taxation work. In this we have to check the tds in the purchases and sometimes also we have to calculate the tds payable wherever it is needed. There after they taught about GST how it is filled and when it is filled and also the various types of the gst. In this we learnt a lot of things about GST & TDS.

4.2- SUGGESTION:

- ❖ The company is handling projects like road work, railway work, airport & land residential house and apartment etc.
- ❖ The main objective of the company is to maximize its profits and minimize its costs by giving better service to its clients. So, it has to explore new market by creating new and more joint venture.
- ❖ The overall profitability position of the company is good and it should maintain it.
- ❖ The cash position of the company is now increasing and the company should maintain it as well as try to declare dividend to its shareholders from time to time.
- ❖ The company should try to maintain the financial position because the long-term financial position is not good of the company due to the debt and equity of the company is negative.

CHAPTER:5

5.1- CONCLUSION

5.1- CONCLUSION:

Growth prospects of ARSS

- ❖ Within a short span, ARSS emerged as one of the leading infrastructure developers not only in the Eastern India but also in Southern and North-Western India spreading over in 14 states and exciting projects with outstanding quality, reliability, affordability eco friendliness and efficient services.
- ❖ ARSS is operating in a competitive market but the credential, capability and decades of experienced in construction sector set one apart from its competitors. Today the organization is one of the leading Civil Engineer Construction Company in Eastern Southern and North-Western India.
- ❖ Cash and cash equivalent of the company now started to increasing. In the year of 2019-20 the cash and cash equivalent of the company is RS. (5,798.90) lakhs but in 2020-21 it was increases to RS. 834.94 lakhs. Similarly, the cash and cash equivalent at closing also increases in FY 2020-21 i.e., RS. 2,849.23 lakhs where as in the year of 2019-20 it was RS. 2,014.30 lakhs.
- ❖ Cash flow from operating activities can be compared to the company's net income to determines the quality of earnings. If cash from operating activities is higher than net income, enrings are said to be of high quality.
- ❖ This statement is useful to investors because under the notion the cash is king. It allows investor to get an overall sense of the company's cash inflow and out flow & obtain a general understanding of its overall performance.

BIBLIOGRAPHY & REFERENCE:

- ❖ **MANAGEMENT ACCOUNTING – R. K SHARMA**
- ❖ **ANNUAL REPORT**
- ❖ **WWW.ARSSINFRASTRUCTURE.IN**
- ❖ **WWW.WIKIPEDIA.ORG**
- ❖ **WWW.MONEYCONTROL.COM**
- ❖ **WWW.INVESTOPEDIA.COM**