
EVALUATING FINANCIAL STATEMENTS FOR PERFORMANCE ASSESSMENT AT ADITYA BIRLA GROUP

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ABSTRACT: This paper will evaluate the Aditya Birla Group's operational efficiency, financial stability, and success using its financial statements. The balance sheet, income statement, and cash flow statement are examined to determine the company's revenue, liquidity, solvency, and efficiency over time. To assess the company's financial management procedures, financial ratio analysis, trend analysis, and comparison benchmarking are used to identify strengths and weaknesses. Strategic financial review may improve resource allocation, decision-making, and future planning, according to the paper. Financial statements show the Aditya Birla Group's past performance and are used to evaluate its success. This aids risk management and long-term development.

Keywords: *Aditya Birla Group, Financial Statement Analysis, Profitability, Liquidity, Solvency, Operational Efficiency, Balance Sheet, Income Statement.*

1. INTRODUCTION

Financial statements are needed to assess a group's financial stability, success, and longevity. Financial statements including the income statement, balance sheet, and cash flow statement show a company's profitability, flexibility, solvency, and efficiency. These statements help managers, creditors, investors, and regulators understand a company's resource use, debt management, and profitability over time. This examination helps set goals, create strategies, and make decisions.

Financial statements can anticipate future development, financial stability, and historical triumphs, making them a valuable performance evaluation tool. For close inspections of financial risk, asset utilization, income trends, and cost structures, ratio, trend, and comparative statement analysis are best. Large companies like the Aditya Birla Group must regularly analyze their financial accounts to ensure they are running efficiently across several business sectors, maintain investor confidence, and find development opportunities. This review procedure can boost business success, accountability, and transparency.

2. REVIEW OF LITERATURE

Ramadhan, Y., Ramdani, N. A., S., & Roviuddin, R. (2025). his paper, which was conducted by Ramdani, N. A. S., Roviuddin, and Ramadhan, Y., aims to determine the manner in which investors made decisions based on Bank Neo Commerce's financial records for 2023. Financial ratio analysis and investor questionnaires were used in their investigations. Profitability, liquidity, and solvency greatly affected investor trust and decision, according to studies. In financial reporting, trust between institutions and clients is crucial, according to the paper. Poor financial performance discourages consumers, but good financial

performance attracts them. The results show that open financial reporting is crucial to investment decisions.

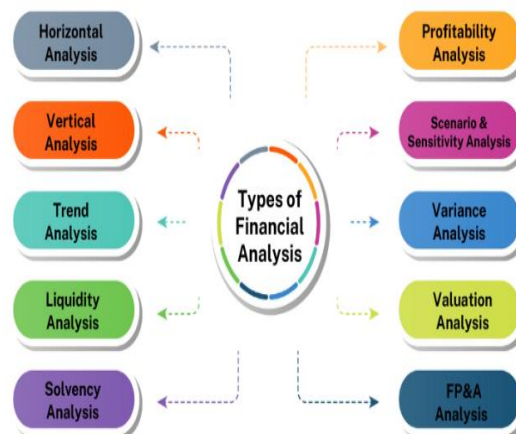
Darmawati, D., Mediawati, E., & Dewi, A. R. S. (2025). This paper summarizes all digital financial reporting books and papers published worldwide between 2000 and 2024. The top writers, papers, and countries in the topic are highlighted, showing new issues and regions where we don't fully understand the situation. These findings show that digital reporting research is rising, particularly in blockchain, XBRL, and AI-enhanced financial disclosures. This shows how digital tools affect business transparency, real-time reporting, and data access. There are also more sustainable disclosure and combined reporting studies than before. Research shows the shift from manual to digital financial reporting.

Lawal, T. (2024). This paper investigates how the COVID-19 epidemic has affected publicly listed firms' financial reporting frequency. The data shows that regulatory extensions, remote operations, and lockdowns delayed report entries. Data shows that buyers lost trust in a company's trustworthiness when it took too long to reveal facts. In global disasters, rapid disclosure is essential for market trust. Pillai worked with Gokhale. Twenty-four. This paper addresses firm and country-level earnings management in emerging economies. It includes characteristics like controlling ownership, board performance, laws and regulations, and cultural aspects that affect money generation. The research found that overly liberal regulatory structures and weak investor protections simplify earnings management.

Trisnaningsih, S., & Pitaloka, R. (2023). This paper analyzes financial record-keeping from a behavioral accounting approach. Accounting methods are affected by cognitive bias, decision-making bias, perception, and other behavioral and psychological aspects. The paper claims that people influence financial reports, making them unreliable. This paper examines moral issues, mistakes, and bad decisions using behavior and accounting theories. Noting behavioral biases when reporting and obtaining training to address them is crucial.

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3. TYPES OF FINANCIAL ANALYSIS



Horizontal Analysis

Horizontal analysis compares financial statement line items from year to year. Data from different historical periods is needed for this. Financial analysts have long used this method to track financial data, performance, and trends.

Vertical Analysis

Vertical analysis, or financial statement analysis, is essential for financial experts. It helps them understand financial records' numerical data. Yes, financial records can be viewed horizontally and vertically. This includes cash flow, balance, and income statements.

Trend Analysis

Financial professionals use trend analysis to comprehend money's evolution. As its name implies, financial analysts use this tool to determine historical financial data achievement measures and patterns.

Liquidity Analysis

A company's short-term debt commitments can be assessed using liquidity analysis. It analyzes a company's cash, near-cash, and accounts payable to determine its liquidity. Simply said, it helps companies determine how fast they can sell items for money.

Solvency Analysis

Solvency analysis is becoming more important to all organizations in the current economic scenario. Solvency analysis helps owners, CEOs, and other key stakeholders understand a company's financial status. This research establishes a business's long-term viability and revenue.

Profitability Analysis

Effective business management requires revenue generation. A profitability analysis is a great way to assess the company's resource consumption and optimize it to boost earnings.

Scenario & Sensitivity Analysis

Scenario and sensitivity analysis are important financial analysis contributions. It helps firms determine how much different elements affect project outcomes. Scenario and sensitivity assessments can help you discover risks in different scenarios, making decisions more confidently.

Variance Analysis

Businesses use variance analysis to determine why their expected and actual results differ. This tool is essential for fact-based decision-makers who want to know why their plans failed.

Valuation Analysis

Business valuation research examines assets and liabilities to determine value. To comprehend every facet of a firm, you must assess past and forecast future performance. Financial loans, equity investments, patents, and machinery fall into this group.

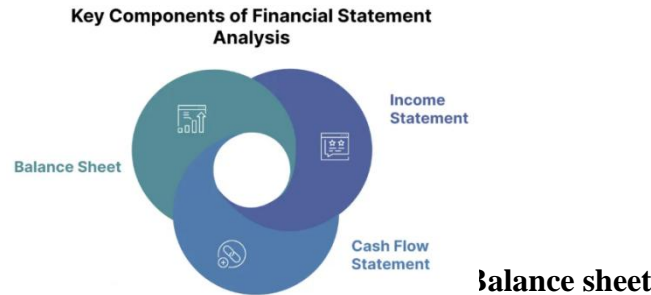
FP&A Analysis

Financial planning and analysis are essential for any successful company. It may help you find investment opportunities, maximize your funds, and best use your assets. The goal of FP&A analysis is to analyze financial data to inform future decisions.

4. COMPONENTS OF FINANCIAL STATEMENTS

Financial statement analysis relies heavily on the income statement, balance sheet, and cash flow statement. Income statements show the company's profitability, balance sheets show its financial status, and cash flow statements show cash management.

Using these indicators, stakeholders can assess an organization's profitability, stability, and operational efficiency.



Balance sheets show a company's earnings at a given time. The corporation's assets, liabilities, and proprietors' equity demonstrate the equation that assets equal liabilities plus equity.

Income statement

An income statement, which comprises a profit and loss statement, covers income, expenses, and net income. This section reveals business profitability and efficiency.

Cash flow statement

The Cash Flow Statement shows a company's revenue and expenses over time. Company liquidity and financial management efficiency are key.

5. DATA ANALYSIS AND INTERPRETATION

Key Financial Insights for Stakeholders – Aditya Birla Group

Area	Insight	Stakeholder Impact
Revenue	Consistent growth shows strong market demand and strategy.	Indicates reliable long-term investment potential.
Profitability	High/improving margins show efficient operations.	Reflects shareholder value creation and management effectiveness.
Liquidity	Adequate ratios ensure short-term obligations can be met.	Provides assurance to creditors and suppliers.
Debt	Moderate leverage indicates balanced risk.	Helps investors/lenders assess financial stability.
Cash Flow	Strong operating cash flow shows earnings quality.	Influences dividends, reinvestment, and investment confidence.
Asset Use	Efficient turnover shows good operational management.	Assesses working capital and operational efficiency.
Expenses	Stable or declining expense ratios indicate cost control.	Guides cost optimization strategies.

Equity/Returns	Growth in equity/dividends signals investor reward.	Boosts investor confidence and attracts long-term investment.
Trends	Historical comparisons reveal performance patterns/risks.	Supports forecasts and strategic decisions.
Risk	Highlights market and financial risks.	Helps in proactive risk mitigation and strategy planning.

BALANCE SHEET OF ADITYA BIRLA GROUP

Balance Sheet of Aditya Birla Group (in Rs. Cr.)	2025-2024	2024-2023	2023-2022	2022-2021	2021-2020
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	2,607.01	2,600.02	2,417.99	2,416.31	2,415.28
Total Share Capital	2,607.01	2,600.02	2,417.99	2,416.31	2,415.28
Reserves and Surplus	22,585.55	11,098.31	7,491.47	7,324.74	6,962.29
Total Reserves and Surplus	22,585.55	11,098.31	7,491.47	7,324.74	6,962.29
Total Shareholders Funds	25,192.56	13,933.00	10,096.76	9,908.07	9,549.59
NON-CURRENT LIABILITIES					
Long Term Borrowings	0	0	0	0	0
Deferred Tax Liabilities [Net]	0	100.92	99.45	100.26	96.33
Other Long Term Liabilities	275.9	10.48	34.82	3.59	3.78
Long Term Provisions	121.77	25.11	17.23	29.1	44.42
Total Non-Current Liabilities	397.67	136.51	151.5	132.95	144.53
CURRENT LIABILITIES					
Short Term Borrowings	1,11,135.68	0	0	0	0
Trade Payables	429.81	16.37	6.61	4.57	8.74
Other Current Liabilities	2,143.09	30.84	26.19	32.17	30.86
Short Term Provisions	0	0	0	0	0
Total Current Liabilities	1,13,708.58	47.21	32.8	36.74	39.6
Total Capital And Liabilities	1,39,299.89	14,122.30	10,282.24	10,077.88	9,735.10
ASSETS					
NON-CURRENT ASSETS					

Tangible Assets	369.78	15.97	10.68	11.92	15.05
Intangible Assets	118.7	0	0.03	0.11	0.3
Capital Work-In-Progress	0	0	0	0	0.12
Other Assets	13.5	13.94	14.37	14.81	15.24
Fixed Assets	517.12	29.91	25.08	26.84	30.71
Non-Current Investments	12,829.40	0	0	0	0
Deferred Tax Assets [Net]	492.97	0	0	0	0
Long Term Loans And Advances	0	0	0	0	0
Other Non-Current Assets	321.3	12.16	13.37	29.95	32
Total Non-Current Assets	14,160.79	42.07	38.45	56.79	62.71
CURRENT ASSETS					
Current Investments	0	12,985.18	10,213.91	9,845.72	9,554.54
Inventories	0	0	0	0	0
Trade Receivables	0	30.48	17.12	10.96	9.36
Cash And Cash Equivalents	2,376.78	1,052.10	1.74	1.73	2.33
Short Term Loans And Advances	1,22,344.51	11.22	9.7	160.36	104.08
Other Current Assets	417.81	1.25	1.32	2.32	2.08
Total Current Assets	1,25,139.10	14,080.23	10,243.79	10,021.09	9,672.39
Total Assets	1,39,299.89	14,122.30	10,282.24	10,077.88	9,735.10

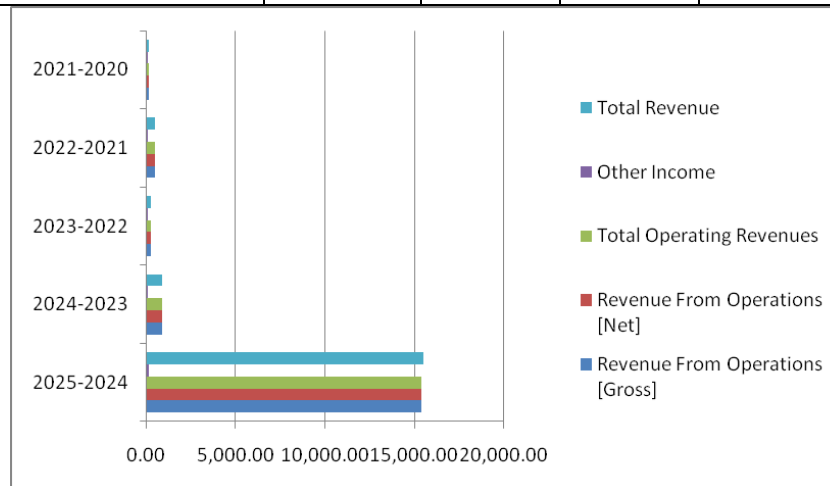
Cash Flow of Aditya Birla Group

Cash Flow	2025-2024	2024-2023	2023-2022	2022-2021	2021-2020
Net Profit/Loss Before Extraordinary Items And Tax	3,926.80	3,926.80	795.34	795.34	0
Net CashFlow From Operating Activities	-16,646.98	-16,646.98	12.32	12.32	0
Net Cash Used In Investing Activities	369.6	369.6	-3,040.38	-3,040.38	0
Net Cash Used From Financing Activities	18,454.81	18,454.81	3,035.61	3,035.61	0
Net Inc/Dec In Cash And Cash Equivalents	2,177.43	2,177.43	7.55	7.55	0
Cash And Cash	199.34	199.34	1.48	1.48	0

Equivalents Begin of Year					
Cash And Cash Equivalents End Of Year	2,376.77	2,376.77	9.03	9.03	0

INCOME

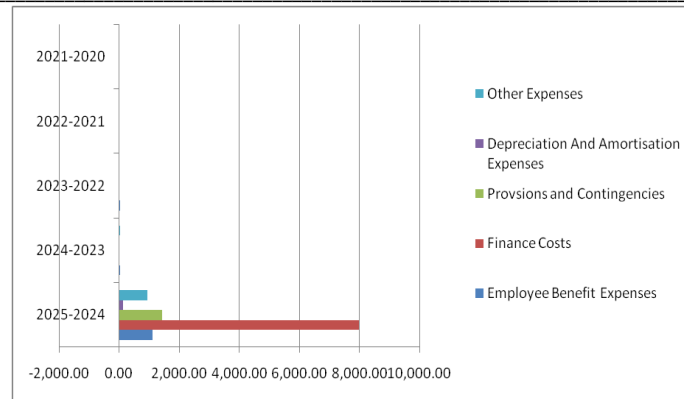
INCOME	2025-2024	2024-2023	2023-2022	2022-2021	2021-2020
Revenue From Operations [Gross]	15,418.68	859.57	218.56	452.71	107.89
Revenue From Operations [Net]	15,418.68	859.57	218.56	452.71	107.89
Total Operating Revenues	15,418.68	859.57	218.56	452.71	107.89
Other Income	134.39	1.17	3.96	1.36	0.88
Total Revenue	15,553.07	860.74	222.52	454.07	108.77



INTERPRETATION: Total Aditya Birla Group income rose from ₹108.77 crore in 2020 to ₹15,553.07 crore in 2024 due to rapid operations expansion. Operations revenue growth drove the expansion. This indicates that the company has grown or expanded its main activity. Other revenue has increased slightly but remains a small part of total revenue. This significant increase in the past five years shows that our business has grown and become more competitive.

EXPENSES

EXPENSES	2025-2024	2024-2023	2023-2022	2022-2021	2021-2020
Employee Benefit Expenses	1,119.07	30.66	25.86	20.48	21.98
Finance Costs	7,981.36	0.14	0.08	0.11	0.14
Provsions and Contingencies	1,447.57	0.01	-0.6	0.23	0.34
Depreciation And Amortisation Expenses	133.8	0.76	0.81	0.88	1.35
Other Expenses	944.47	33.83	12.17	13.32	12.67
Total Expenses	11,626.27	65.4	38.32	35.02	36.48



INTERPRETATION: Total Aditya Birla Group expenditures rose from ₹36.48 Cr in 2021-2020 to ₹11,626.27 Cr in 2025-2024. Mostly owing to rising Finance Costs and Provisions & Contingencies. Employee bonuses and other expenses have surged as the number of businesses and employees has increased. Low amortization and depreciation suggest that fixed assets are not used as much as revenue.

6. CONCLUSION

Success can be assessed using financial statements to reveal a company's operations, financial health, and long-term goals. Profitability, liquidity, solvency, and efficiency ratios can be used to evaluate a company's ability to produce revenue, meet obligations, and maximize resource use. The short-term and long-term financial health can be shown by cash flows, dividend policy, and one-time items. Trend research and comparison to industry norms can help you identify difficulties, strengths, and growth opportunities. Creditors, investors, and management can benefit from a more comprehensive examination and the capacity to act before problems occur when qualitative elements like market shifts, management efforts, and regulatory concerns are considered. Financial statements must be thoroughly examined to build shareholder trust in the company's financial management. This will help predict risks, revenue, and plans, as well as the business's prior success.

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