

ORGANISATION STUDY REPORT ON M. N. CHEMICALS, KUMTA, UTTARA KANNADA

Submitted by
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USN: - 4AL21BA019



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

INTERNAL GUIDE

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Professor

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EXTERNALGUIDE

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M N Chemicals



**PG DEPARTMENT OF BUSINESS ADMINISTRATION
ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY
MOODBIDRI
MARCH 2023**



ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY

(A Unit of Alva's Education Foundation @, Moodbidri)

Affiliated to Visvesvaraya Technological University, Belagavi

Approved by AICTE, New Delhi & Recognised by Government of Karnataka

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DATE: 30/01/2023

CERTIFICATE

This is to certify that **CHANDRAKANTH N NAIK** bearing USN **4AL21BA019**, is a bonafide student of Master of Business Administration program of the Institute (2021-23) affiliated to Visvesvaraya Technological University, Belagavi.

The Internship report on "**M N CHEMICALS LIMITED., KUMTA**" is prepared by him under the guidance of **Dr. Vishnu Prasanna K N**, Professor, PG Department of Business Administration in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

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M N CHEMICALS LIMITED

Manufacturers of Bulk Drugs & Fine Chemicals

An ISO 9001 : 2015 & GMP Certified



Ref. no.: MNCL/22/PS/2021-22

CERTIFICATE

This is to certify that **Mr. CHANDRAKANTH NAIK** Reg. No. 4AL21BA019 **MBA IInd** semester student of **Alva's Institute of Engineering and Technology, Moodbidri** has undergone four weeks in-plant training in our company from 20.10.2022 to 20.11.2022. He has prepared project report named **"Organization Study"** with special reference to our company.

We are happy to state that, he has successfully completed his internship and he has been sincere and hard working in his endeavor.

We wish him bright future.

For M N Chemicals Limited

Authorized Signatory



Place : Kumta

Date : 21.11.2022

DECLARATION

I Chandrakanth Naik, hereby declare that the internship and organizational study report entitled "ORGANIZATION STUDY AT M. N. CHEMICALS" prepared by me under the guidance of Dr. Vishnu Prasanna K N, faculty of M.B.A Department, Alva's institute of engineering and technology and external assistance by Mr. Nityanand Naik.

I also declare that this study is towards the partial fulfilment of the university regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University.

I have undergone an internship and organization study for a period of 4 weeks. I further declare that this report is based on the original study undertaken by me.



Place: HONNAVAR

CHANDRAKANTH NAIK

USN 4AL21BA019

ACKNOWLEDGEMENT

It was my privilege to undergo the organization study at M. N Chemicals. There are many people who have helped me to complete this study successfully. It is with the gratitude that I acknowledge the help, which guided my efforts with success.

It is my foremost duty to express my wholehearted thanks to my guide Dr. Vishnu Prasanna K N for the valuable guidance, support and motivation during the course of this study. The inspiration provided by my guide at every stage of my work has helped me immensely in completion of this organization study and preparation of this report. I am also very thankful to Alva's institute of engineering and technology and faculties of the MBA department for their co-operation.

My profound thanks to Mr. Nityanand Naik, who took interest in explaining concepts and imparting necessary inputs pertaining to the organization study, without which it would not have been possible for me to complete this work. I am also very thankful to other executives and staff of the company for their co-operation.

Place: MOODBIDRI

CHANDRAKANTH NAIK

Date:

USN 4AL21BA019

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EXECUTIVE SUMMARY

As an intern at MN chemicals Ltd, I have had the opportunity to gain hands-on experience in the Bulk Drugs production industry. The company's main business is the production of high-quality Bulk Drugs and Fine Chemicals using state-of-the-art technology.

During my internship, I was exposed to various aspects of drug production, including raw material procurement, quality control, production process, and safety protocols. I also learned about the importance of sustainability in the chemical industry and the steps taken by MN chemicals Ltd to reduce its environmental impact.

The company has a strong commitment to employee safety and provides a safe and healthy work environment. As an intern, I was impressed by the company's focus on employee training and development, which included regular workshops and seminars.

CHAPTER-1
INDUSTRY PROFILE

1.1 INDUSTRY PROFILE

The Indian chemical industry is composed of three main segments: basic chemicals, specialty chemicals, and knowledge chemicals. The basic chemicals segment includes petrochemicals, fertilizers, inorganic chemicals, and other industrial chemicals, while knowledge chemicals encompass pharmaceuticals and agrochemicals. The chemical industry in India is highly diversified and plays a vital role in supporting the country's industrial and agricultural development, supplying essential components for downstream industries and final products for private consumption.

However, the chemical industry has not been immune to the impacts of the global economic slowdown in recent years. A decline in FDI inflows due to economic uncertainty and regulatory issues has been a challenge for the industry. FDI in the chemical sector dropped from USD 749 million in FY09 to USD 362 million in FY10, but increased to USD 2,345 million in FY11 and USD 4,041 million in FY12. Despite these challenges, the chemical industry managed to lead industrial IIP, with the Chemicals IIP for FY13 standing at 3.1% compared to the overall IIP of 0.8%

Indian chemical industry. According to recent reports, the chemical industry in India continues to grow, driven by the demand for petrochemical products, specialty chemicals, and agrochemicals. The Indian government has taken steps to boost the industry by promoting research and development, offering tax incentives, and improving infrastructure. The chemical industry is now a key contributor to India's economy, providing employment and supporting the growth of other industries. Despite the challenges posed by the global economic slowdown, the Indian chemical industry continues to show growth and is expected to continue to grow in the coming years.

Indian chemical industry is vastly diversified with more than 80,000 commercial products in the market. The market size of chemical industry in India came up at \$ 163 billion for FY 2017-18 and is expected to reach \$ 304 billion by 2025. India is the third largest producer of chemicals by volume in Asia and sixth largest producer of chemicals in the world. India has 3.40% of contribution towards the global chemical industry along with 10.30% of chemical products

exports share, making it to rank on 14th in exports globally (excluding pharma products).

With a growing market and purchasing power, the domestic industry is likely to growth at over 10-13% in the coming years. Growing disposable incomes and increasing urbanization are fuelling the end consumption demand for paints, textiles, adhesives and construction, which, in turn, leads to substantial growth opportunity for chemical companies

Indian government Target to increase the share of manufacturing in GDP to at least 25% by 2025 (from current 16%). investments in manufacturing in the chemical sector are absolutely essential to ensure growth of the Indian chemical industry. Indian Governments proposal to set up of a technology up-gradation fund of USD 80 Mn in the 12th plan for chemicals. Proposal to establish an autonomous USD 100 M chemical innovation fund by securing 10% of the total inclusive national innovation fund set up by the National Innovation Council to encourage commercialization efforts for innovations generating inclusive growth.

Other initiatives taken by the Indian government

Government readiness to provide incentives for bio-based raw materials to reduce dependence on crude oil, encourage companies to seek "Responsible Care Certification" and facilitate priority loans to those who meet environment norms. Government's plan to expedite the consolidation of multiple legislations governing the chemical industry into one Integrated Chemical Legislation. This legislation should cover the entire life cycle of chemicals. This will act as REACH like legislation for safe use of chemicals for protection of human health & environment. Chemical industry could be granted tax and duty reductions for specific identified products such as import duty reduction on inputs like coal, furnace oil, naphtha, etc. inclusion of a wider range of inputs under CENVAT credit and encouraging companies to set up captive power plants. Policies have been initiated to set up integrated petroleum, chemicals and petrochemicals investment regions (PCPIRs). PCPIR will be an investment region spread across 250 square kilometres for manufacturing of domestic and export related products.

By 2025, the Indian Chemical industry is projected to reach USD 403 billion.

1.2 ORGANIZATION INTRODUCTION

M N CHEMICALS

Established in 1995, is an ISO 9001 2015 and GMP Certified pharmaceutical company. Engaged in manufacturing and marketing of Bulk Drugs and Fine Chemicals with a state-of-the-art manufacturing facility at Kumta, Uttara Kannada District, Karnataka. Specialized in manufacture of products used in the production of IV Fluid, Electrolyte, Dialysis Solution, Enzymes, Food & Beverages and Laboratory Chemical Industries in compliance to Indian and International Pharmacopoeia standards. Backed by a qualified team of professional with requisite expertise in technical, quality control, R &D and management. Exported to Thailand, Mexico and Nepal directly and to many other countries through export houses. Intend to set up a manufacturing facility in Thailand for which BOI approval is obtained.

CHAPTER – 2
ORGANIZATION PROFILE

2.1 BACKGROUND

In the context of the company's law of 1956, M.N. Chemicals Ltd. was established as private Ltd on June 5, 1994. The firm is currently transformed into a public company. M N Chemical Ltd is one of the group businesses amongst Gemini Securities, Gemini Professional and Pharmacy Food, and is a leading industry in the Uttar Kannada district managed by some other specialist M N Chemical Ltd. The firm produces bulk medicines which include sodium chloride, magnesium chloride, sodium acetate as well as sodium carbonate and calcium chloride. Potassium, sodium acid phosphate and sodium acetate were developed in line with the business.

M N Chemicals is located at Kumta, Uttarkannada District, Karnataka state Western Coastal Sahara Ghats, pollution free area, 0.5 Km from N.H. 66 and 2 Km from Kumta Konkan Railway Station.

From a tiny start in 1995, M N Chemical Ltd began manufacturing bulk medicines in an industrial region, Kumta which does not have the right road infrastructure, and electricity communication has begun very difficult with the production of few products such as Sodium Chloride IP and Potassium Chloride IP. Used to prepare I.V and dialysis solutions, above products are lives saving bulk drugs.

M.N. Chemicals has succeeded in providing good quality products and services followed by an updated technology. By research and development, well equipped quality and assurance departments the company has achieved excellence in providing quality products. M.N. Chemicals has multinational customers like Novozymes South Asia Pvt Ltd, Normal Ltd and Orchid Ltd, Fine Chemicals Ltd, Ajanta Pharma Ltd etc.

MN. Chemicals received ISO 9001-2008 for their quality systems. The company has further ambitious plans to expand and improve its activity in manufacturing some more drugs in the upcoming years.

2.2 NATURE OF THE BUSINESS

The nature of the business explains whether the company is carrying the large-scale business or the small-scale business. The M N Chemicals is a small-scale

basis organization. This is an engaged in the limited production of the bulk drugs. The initial capital is just 30 lakhs. The labour which was used in the starting period is very less. At present there are 102 workers. The place where industry is located it also urban area. It is an industry which is phasing the problem of no proper facilities of the road, electricity and communication at the beginning. With the great difficulty they started manufacturing the bulk drugs like sodium chloride IP, Potassium Chloride IP.

M N Chemical Limited Company is established in the year of 1994. After facing the difficulties like the problem of transportation, raw material and power and it has able to produce the products and able to survive in the competitive world. At first it was started as the partnership firm than it is become as the private company. The production capacity of the company is expanded to 1800 mega tones to 3600 mega tones

2.3 VISION, MISSION, QUALITY POLICY

- Vision

Strive to develop and employ innovative technological solutions to add value to business with progressive and proactive approach

- Mission

Over the year. M N Chemical has persistently endeavoured to impart the highest values to its consumer. This is a unique establishment that keep the promise to live up each of its commitments with sheer dedication to fulfil the needs of all those who meet us.

- Quality Policy

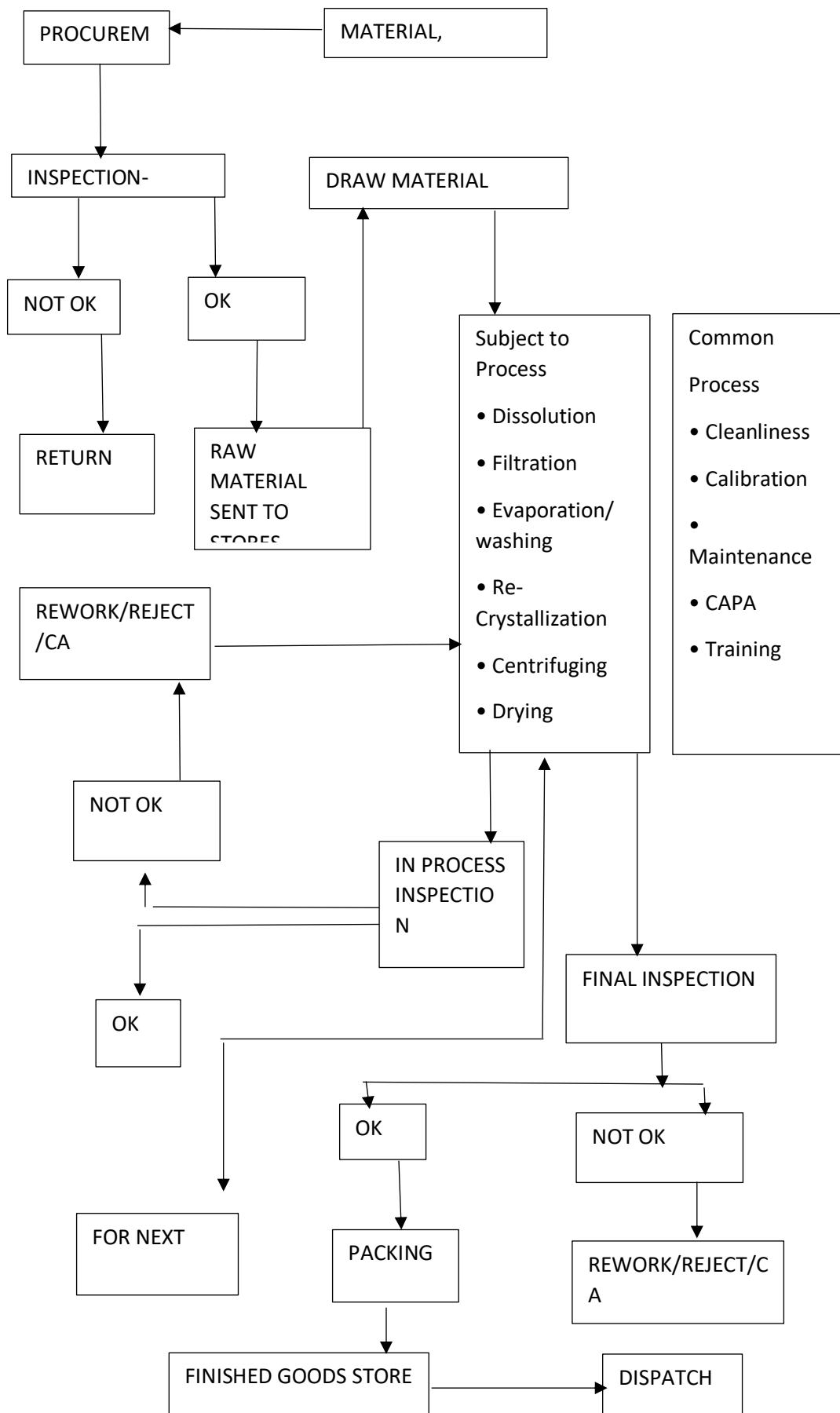
They have adopted total quality control system to achieve the quality control system to achieve the quality production to the customer satisfaction. Raw materials, packing materials, finished products and processed control test are carried out of every stage in quality control laboratory

Quality Objectives

1. To impart necessary training to employees, perform their tasks effectively and build team culture

2. To achieve customer satisfaction to the highest level
3. To consistently upgrade the technology innovations
4. To maintain clean, safe and hygienic environment
5. To reduce cost of production and thereby serve the society

2.4 WORK FLOW MODEL



PROCUREMENT

Raw Material Procurement: The first step in the manufacturing process involves the procurement of raw materials required to produce the desired product from Thailand and China exports, Madhav Magnesium- Gujarat, Nirla salt, Indian Potassium Limited K Salk England, Sang Froid Pvt Ltd such as Sodium Chloride, Potassium Citrate, Sodium Acetate, Potassium Chloride, and Sodium Citrate.

INSPECTION-INCOMING

Receiving the Raw Material: When the raw materials are received from the supplier, the material handlers would check the delivery note and verify the quantity and quality of the delivered raw material.

Visual Inspection: The raw materials are visually inspected for any signs of damage or contamination during the transportation process.

Sampling: A representative sample is collected from the received batch of raw material. The sample size is determined based on the lot size, and the sample collection follows a standard operating procedure.

Testing: The collected sample is then subjected to various tests to check for any impurities or deviations from the desired quality standards. For instance, in the case of Sodium Chloride, the sample might be tested for its particle size, pH level, and impurity levels.

Approval/Rejection: Based on the test results, the raw material is either approved or rejected. If the raw material meets the desired quality standards, it is approved, and the material handlers would update the inventory records. If the raw material fails to meet the quality standards, it is rejected, and the supplier is notified to either replace the material or issue a credit note.

Weighing and Mixing: Once the raw materials are procured, they are weighed and mixed in the appropriate proportions to form the drug formulation. This step involves precise measurements to ensure the accuracy and consistency of the final product.

Solution Preparation: The mixed ingredients are then dissolved in appropriate solvents and heated to prepare a clear solution. This step involves the use of specialized equipment such as reactors, mixers, and heaters.

Filtration and Sterilization: The prepared solution is then filtered to remove any impurities and sterilized to eliminate any potential microbial contamination. This step ensures the safety and purity of the final drug product.

FINAL INSPECTION

Visual Inspection: The finished product is visually inspected to ensure that it meets the quality standards and the specified appearance criteria. The inspection involves checking for any physical damage, discoloration, or other visible defects.

Testing: The finished product is tested to ensure that it meets the required specifications and performance criteria. The tests might include checking for purity, potency, pH level, particle size, and other relevant parameters.

Documentation Review: The documentation related to the manufacturing and testing of the finished product is reviewed to ensure that all the required procedures were followed, and the quality control measures were in place.

Approval/Rejection: Based on the inspection and testing results, the finished product is either approved or rejected. If the product meets the quality standards, it is approved, and a certificate of analysis is issued. If the product fails to meet the quality standards, it is rejected, and further investigation is conducted to identify the root cause of the issue.

FINISHED GOODS STORE

Filling and Packaging: The final step in the process involves filling the sterile solution into vials and labelling them with appropriate information such as the product name and expiration date.

2.5 PRODUCT/SERVICE PROFILE:

RAW MATERIALS

The main raw material required for the product is common salt. The other raw materials

1. Acetic Acid glacial
2. Caustic soda.
3. Phosphoric acids.
4. Caustic potash.
5. Potassium Chloride tech.
6. Barium Chloride
7. Potassium Carbonate
8. Soda ash
1. SODIUM CHLORIDE

This solution is then treated with chemicals to remove the Sulphates, Calcium, Magnesium, Iron and other heavy metals. After successful completion of this process, the solution is allowed to settle 6 to 8 hours and filtered to get clear solution. The same solution is adjusted to PH 5 to 6. It evaporates in the evaporating vessel and crystals formed fed into centrifuge and after centrifuging the same is dried in the drier at 100-degree c. After proper drying the material is tested in the laboratory and packed in HDPE polyline bags of 50 Kes.

2. POTTASIUM CITRATE

The potassium citrate is manufactured by adding citric acid to caustic solution quite slowly and to get PH 8.5. Then after cooling the solution is filtered and concentrated in an evaporator. After testing in the laboratory, the material, potassium citrate is packed in HDPE ploy lined bags

3. SODIUM ACETATE

The sodium acetate can be manufactured by adding acetic acid to caustic soda solution in D.M water. Then filtered and evaporated to get the crystals. These crystals centrifuged and then dried at 60 degrees Celsius for about one hour. Then the material is tested and packed.

The raw material required for one Megaton production and its cost

4.POTTASIIUM CHLORIDE

Dissolve the technical grade potassium chloride in D M water and treat chemicals to remove the impurities and allow it to settle for clarity. Then adjust PH to 6 by adding HCL and evaporate the same and to crystallize. After crystallized concentrate in centrifuged and then dried in a tray drier. After testing the same in laboratory, pack the same in HDPE polyline bags of 50 kgs.

5.SODIUM CITRATE

The required quantity of Citric acid is dissolved in pure water to get clean solution.

And then caustic soda is slowly added to get PH 8.5. The reaction is exothermic heat develop and precaution is taken during the reaction. The reaction is cooled and material is formed centrifuged and dried in a tray drier. Then tested and pack the same in HDPE Polyline bags of 50 Kgs.

2.6 OWNERSHIP PATTERN

The M N Chemicals Ltd was established on 5th June 1994 under the company's act 1956. When the M N Chemical was established, it was a partnership firm. In the year 1998 it was converted into private company.

- Chairman and Managing Director: Naveen Patil
- Executive Co-Ordinate: Sridhar Patil.
- Manager of the Quality Assistance: Nityanand Naik

BOARD OF DIRECTORS

1. Mr Naveen Patil

He is the promoter of the Company. He is a chartered accountant, and a financial advisor & tax consultant for major domestic as well as international businesses, He has more than two decades of extensive experience in the domains of consulting, audit, company law and foreign investment regulations, He also

spearheads Group of companies having interest in Consulting and Energy Sector.

2. Mr Nityanand Nayak

He is head of production & quality control. He is the Manager of quality assurance department having more than two decades of experience in pharmaceuticals analytical and documentation field.

Name of the unit	M N chemicals LTD
Year of the Establishment	1995
Constitution	Private closely held limited company
Address or Location of the company	13&14 Industrial estate, Hegde Road Kumta-581343 Uttara Kannada, Karnataka, India
Email	mnckumta@yahoo.com
Website	www.mnchemical.co.in
Managing Director	Mr Naveen Patil, Bangalore
Ownership pattern	Partnership
Type of industry	Bulk drugs and fine chemicals
Nature of the industry	Pharma intermediates
Year of expansion	2002
Area of operation	International
Infrastructure facilities	Power Water Steam Man power
Products	1. Sodium chloride (IP/BP/ING/INGGR/AR/LR) 2. Potassium chloride (IP/BP/ING/GR/USP/AR/UR)

	3. Calcium chloride (ID/LR/AR) 4. Magnesium chloride (IP/LR) 5. Sodium citrate (IP/AR/LR)
Competitors information	Nandi chemicals, Indore and no competition locally
No. of employees	72

2.7 ACHIEVEMENTS AND REWARDS

- MNC achieved several awards and recognition including the prestigious GMP certification.
- 2006: Awarded by jewel of India for its outstanding performance
- 2004: National gold star award
- MNC proposes to get the QMS validates leading to MNC being awarded a certificate of companies to ISO 9001:2008

2.7 FUTURE GROWTH AND PROSPECTUS

M N Chemical Pvt It manufactures bulk drugs and fine chemicals in India, at present they are producing 300 Mt of different chemicals and soon they are going to increase their production to 400 Mt of different chemicals.

Their main future growth:

- To gain customers by their good quality of products.
- To provide employment opportunity
- They are planning to increase production capacity of the organization and supplying the products to all over the world
- Lowest labour cost hour which will help in chemical productions in India.
- As chemical industry increases the pharmaceuticals company will grow which directly positive impact on Indian GDP.
- Growing courtly definitely helps in emerging global market.
- I We have to increase manufacturing & services of chemical which help to develop to country.
- The chemical industry will increase average age lives in the earth

CHAPTER - 3

**MCKINSEY'S 7'S MODEL AND PORTER'S FIVE FORCE
MODEL**

3.1 MCKINSEY'S 7'S MODEL

McKinsey 7s model was developed in 1980s by McKinsey consultants Tom Peters, Robert Waterman and Julien Philips with a help from Richard Pascale and Anthony G. Athos. Since the introduction, the model has been widely used by academics and practitioners and remains one of the most popular strategic planning tools. It sought to present an emphasis on human resources (Soft S), rather than the traditional mass production tangibles of capital, infrastructure and equipment, as a key to higher organizational performance. The goal of the model was to show how 7 elements of the company: Structure, Strategy, Skills, Staff, Style, Systems, and Shared values, can be aligned together to achieve effectiveness in a company. The key point of the model is that all the seven areas are interconnected and a change in one.

7S Framework	
Hard S (tangible)	Soft S (Highly intangible)
Strategy	Skills
Structure	Staff
System	Style
	Shared values

3.1.1 STRATEGY

- CORPORATE STRATEGY
 - **Market differentiation:** M N chemical differentiate itself from competitors by developing and producing unique and innovative chemical products, or by offering superior customer service and support.
 - **Diversification:** M N Chemicals use Diversification by expanding into new geographic markets, entering new product categories, or acquiring complementary businesses.
 - **Cost competitiveness:** M N chemicals focus on reducing its costs to remain competitive and increase profitability. This may involve streamlining operations, optimizing supply chains, and leveraging economies of scale.
- BUSINESS STRATEGY
 - **Product portfolio management:** M N Chemicals focus on improving the profitability of its existing product portfolio by reducing costs, improving product quality, and optimizing pricing.
 - **Innovation:** M N Chemicals invest in research and development to bring new and innovative products to market, which can help it differentiate itself from competitors and increase its market share.
 - **Cost competitiveness:** The company may focus on reducing its costs through supply chain optimization, operational efficiency, and technology innovation to remain competitive and increase profitability. Customer intimacy: M N Chemicals focus on building strong relationships with its customers by understanding their needs, delivering high-quality products and services, and offering value-added solutions
- OPERATION STRATEGY
 - **Manufacturing processes:** M N Chemicals focus on improving the efficiency and flexibility of its manufacturing processes to reduce costs and improve product quality

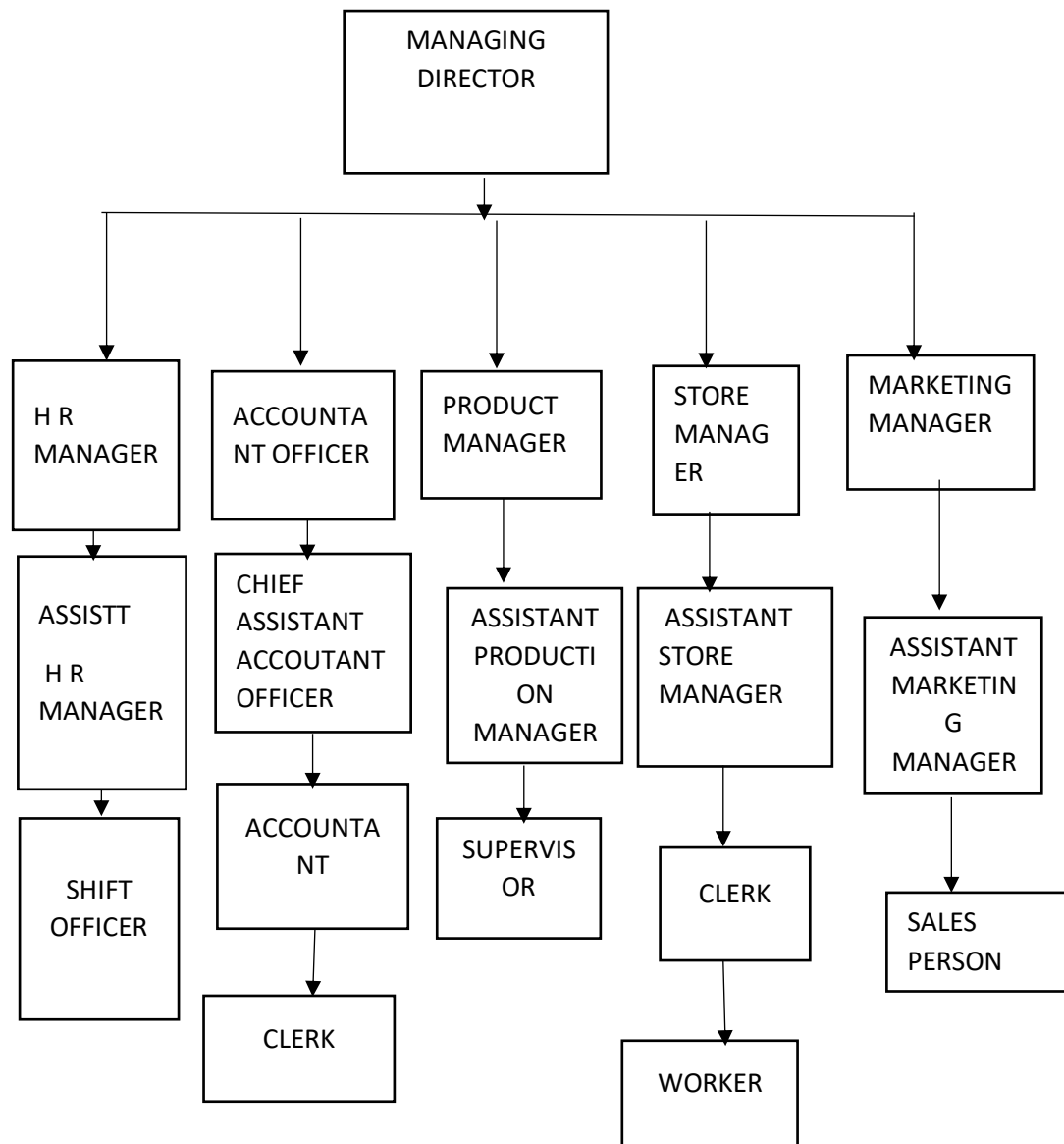
- **Supply chain management:** M N Chemicals optimize its supply chain by sourcing raw materials from the most cost-effective suppliers, reducing lead times, and improving logistics.
- **Lean management:** M N Chemicals adopt lean management practices to eliminate waste and improve efficiency
- **Process safety:** M N Chemicals prioritize process safety to ensure the health and safety of its employees, protect the environment, and minimize the risk of accidents and incidents.
- **Quality management:** M N Chemicals implement a robust quality management system to ensure that its products meet customer expectations and regulatory requirements.

3.1.2 STRUCTURE

ORGANIZATION STRUCTURE

The staff structure of the company appears to be hierarchical, with each department having a department head who is responsible for overseeing the work of lower-level employees. The structure is designed to ensure that tasks and responsibilities are clearly defined and that employees have clear lines of communication and reporting to their superiors.

ORGANIZATION CHART



- The Human resource department is led by Mr. Gajanan, the HR manager and co-ordinator of the Quality Control Department. Under the direction of the HR manager, the Training and Human Resource Department works. The HR manager appoints the Asst. Manager and assigns work to workers who are then given proper training.
- The finance accounts department is led by Naveen Patel, who has 23 years of experience in finance and accounting. The managing director appoints the Account Officer, manages the cost and budget cost section, the cash and bill section, and the tax salary section. Clerks maintain the day-to-day financial books and ledgers and follow top management decisions.

- The production department is led by Mr. Vasanth Rao, who is the director of operations and an FDA approved manufacturing chemist with 23 years of experience. The production department is headed by the managing director.
- The store department is responsible for receiving, storing and issuing materials. The store manager receives material requirement indent from different departments and assigns work to the Asst. Manager. The supplier prepares a quotation and sends it to the store manager, who analyses the best quotation and sends it to top management.
- The marketing department starts from the chief executive officer and general manager for administration and marketing for sales. The Asst. manager assigns work to sales people, who maintain all marketing functional areas and collect the amount. There are two sales agents within the state and an intending agent for outside the state who collects orders from customers all over India.

Why they use this structure?

The use of a hierarchical staff structure can help the company achieve a number of important goals, including:

Effective decision-making: By having clear lines of authority and decision-making power, the company can ensure that decisions are made quickly and efficiently.

Effective communication: The hierarchical structure provides a clear chain of communication, allowing for easy dissemination of information and decisions throughout the company.

Clear accountability: With clear lines of responsibility, employees know exactly what is expected of them and who they report to. This can help to increase accountability and reduce confusion.

Effective delegation: The hierarchical structure allows for effective delegation of tasks and responsibilities, which can help to optimize workloads and improve overall efficiency.

Career advancement: The hierarchical structure provides opportunities for employees to progress in their careers and take on more responsibility, which can help to increase employee satisfaction and motivation.

3.1.3 SYSTEM

- **Management System:** The management in the company is more of democratic. People may interact with higher authority member to discuss the issues. They are more of people oriented they share their thoughts and views with their subordinates.
- **Organizational Structure:** The organization is organized in hierarchical staff structure including the roles and responsibilities of different employees and departments, can impact the overall efficiency and effectiveness of the company.
- **Information Systems:** The use of technology, including computer systems and software, can help to streamline processes and improve decision-making by providing access to real-time data and information.
- **Quality Management Systems:** The Organization produces high-quality products and services, including processes for monitoring and improving product and process quality.
- **Risk Management Systems:** The systems and processes used to identify, assess, and manage potential risks to the company, including risks related to product safety, supply chain disruptions, and environmental issues.

3.1.4 SKILL

ON THE JOB TRAINING

- **Orientation:** New employees receive an orientation of the company, its culture, and its policies and procedures.
- **Process training:** Employees receive training on the specific processes and procedures they need to follow in their role, such as safety procedures, quality control processes, and manufacturing techniques.
- **Equipment training:** Employees receive training on the equipment they use in their role, including proper operation, maintenance, and safety.

- **Mentoring:** Experienced employees paired with new employees as mentors to provide guidance, support, and feedback on their performance.

OFF-THE-JOB TRAINING

- **Technical training:** Employees receive technical training in areas such as chemistry, process engineering, and environmental health and safety to help them better understand the science and technology behind the products they work with.
- **Leadership and management training:** Employees receive training in leadership and management skills to help them progress in their careers and take on more responsibility within the organization.
- **Soft skills training:** Employees receive training in soft skills, such as communication, teamwork, and problem-solving, to help them work more effectively with colleagues and customers.

3.1.5 STAFF

The number of workers who have attained SSLC qualification is 26 and PUC is 30 and under qualification 23, and the post-graduation 14, the number of unskilled workers is 9.

Staff implies human resource schemes that include assessment, training, salaries, and intangibles, such as motivation, morale, and attitude of employees. The staff refers to any organization's workers.

M N Chemicals Pvt. Ltd gives salary to office workers once in a month it means end of the current working month as per their position. And give wages to daily workers.

- **Human Resource Department:** The HR manager appoints the Asst. Manager, who is responsible for following the tasks assigned by the HR manager. The Asst. Manager assigns work to shift managers and supervisors, who guide and provide information to workers.
- **Finance Department:** The Managing Director appoints the Account Officer, who manages different sections such as cost, budget, cash, bill,

and tax salary. Clerks work under these section managers and maintain day-to-day financial books, ledgers, and update finance transactions.

- **Production Department:** The director of operations, Mr. Vasanth Rao, leads the production department. The department is responsible for converting raw materials into finished products.
- **Store Department:** The store manager receives material requirements from different departments and assigns the work to the Asst. Manager. The Asst. Manager verifies the indent, and then assigns it to the supervisor, who checks the quantity available in stock at the store. Clerks are responsible for giving and maintaining material properly.
- **Marketing Department:** The chief executive officer, general manager for administration and marketing, starts the marketing department. The Asst. Manager assigns work to sales people, who maintain all marketing functional areas and collect the amount. There are two sales agents, one within the state and one for outside the state, who collect orders from customers all over India.

Employee schemes

Company provides the following amenities and benefits to its employees, through these employees get more job satisfaction

- Bonus
- Education allowance Rs 1800 as a gesture
- Leave
- Employees provident fund scheme
- Canteen
- Uniform
- Personal safety during training period
- First aid and fire extinguisher programmers (in house and outdoor program)

3.1.6 STYLE

M N Chemical Pvt Ltd, company is a private Ltd; whole staffs are treated as family members. Workers will operate with the interests of their own.

- **Leadership:** The leadership style of the organization's executives and managers can shape the overall style of the organization. A transformational leader, Mr Naveen Patil, Mr Nityanand Nayak inspire and motivate employees, they are more transactional leader and focus on achieving specific goals and outcomes of the organization
- **Culture:** The organizational culture can shape the style of the organization. A culture that values collaboration and teamwork, while a culture that values competition may result in a more hierarchical style. By having clear lines of authority and decision-making power, the company can ensure that decisions are made quickly and efficiently. The hierarchical structure provides a clear chain of communication, allowing for easy dissemination of information and decisions throughout the company.
- **Structure:** The structure of the organization, with each department having a department head who is responsible for overseeing the work of lower-level employees. The structure is designed to ensure that tasks and responsibilities are clearly defined and that employees have clear lines of communication and reporting to their superiors.
- **Technology:** The technology and systems used by the organization can shape its style. The organization that utilizes cutting-edge technology may have a more innovative and forward-thinking,
- **Mission and values:** The mission and values of the organization can shape its style. An organization that prioritizes sustainability and social responsibility, for example, may have a more socially responsible and ethical style, while an organization that prioritizes profit may have a more focused and results-oriented style.

3.1.7 SHARED VALUES

It refers to the core or fundamental values that are widely shared in the organization serves as a guiding principle that is important. These values have great meaning because they focus attention and provide broader sense of purpose. Values are things that would strive for even if they were demonstrably

not profitable. Values act as an organization's conscience, providing guidance in time of crisis.

The values and beliefs of the company untimely they guide employees towards valued behaviour. The company tries to satisfy employees, shareholders, customers.

Each and every company must allow shared values. Shared Values refers the attitude, cultured values, beliefs and philosophy of an organization. It is backbone for organizational success. M N Chemicals Pvt. Ltd believes in superior quality and standard of product for maintaining the quality the company always take care the overall activities of the company. Company will receive important suggestion from the side of employee's interest of the company.

- **Environmental sustainability:** By reducing waste, conserving resources, and minimizing the environmental impact of its operations, M N Chemicals can create shared value by preserving the natural environment for future generations.
- **Community engagement:** By engaging with local communities and working to address their needs, M N Chemical organization can create shared value by fostering positive relationships and building trust with stakeholders.
- **Employee well-being:** By creating a safe, supportive, and healthy work environment, M N Chemical organization can create shared value by improving the well-being of its employees and contributing to their overall happiness and satisfaction.
- **Supply chain management:** By working with suppliers to create sustainable and ethical supply chains, M N chemical created shared value by promoting responsible business practices and reducing the negative impact of its operations on the environment and communities.

3.2 PORTER'S 5 FORCES MODEL

Five forces model was created by M. Porter in 1979 to understand how five key competitive forces are affecting an industry. The five forces identified are

THREAT OF NEW ENTRANTS	LOW LEVEL OF ENTRY BARRIER
BARGAINING POWER OF SUPPLIERS	MODERATE
BARGAINING POWER OF BUYERS	HIGH
THREAT OF SUBSTITUTES	LOW
COMPETITIVE RIVALRY	HIGHLY COMPETITIVE MARKET

PORTER'S 5 FORCES MODEL OF MN CHEMICALS

3.2.1 THREAT OF NEW ENTRANT-LOW

- High capital requirement to run company
- Govt regulation and restriction
- Patent regulation
- Huge capital required for R and D

3.2.2 BARGAINING POWER OF SUPPLIERS-MODERATE

Chemical industry mostly depends on few. large suppliers for raw material supply, Substitute are very limited, switching cost of suppliers are more because of long term agreement.

Major raw material suppliers of M N CHEMICALS LTD

SL NO	VENDOR NAME	MATERIAL
1	Thailand and China exports	Sodium chloride
2	Madhav Magnesium- Gujarat	Magnesium Chloride
3	Nirla salt	Salt
4	Indian Potassium Limited	Potassium Chloride
5	U K Salk from England	Sodium chloride
6	Sang Froid Pvt Ltd	Calcium Chloride

3.2.3 BARGAINING POWER OF BUYERS -HIGH

- Buyer is increasing online portals to purchase medicine those that best meet there needs
- They are ready to switch to other competitors because they have a greater number of suppliers to choose
- Major buyers of M N CHEMICALS are Nirmala life health care, Buy upon India, Navakar pharmaceuticals chemical, Food and Drug Corporation, Canton Laboratory Mumbai, Sushrutha Industries

3.2.4 THREAT OF SUBSTITUTES – LOW

Buyers need same type of chemicals for their usage Change in chemical composition involves more Rand D cost There is no common substitutes for chemicals if they want to produce similar products, they require strong R and D department and high degree of knowledge to produce new products it cost more expense to company so there is low level of substitutes

3.2.5 COMPETATIVE RIVALARY-HIGH

The major competitors for the company are

1. Bombay Rasino Herbs Offering premium quality Ammonium Chloride, Potassium Chloride, Zinc Sulphate Heptahydrate, Zine Sulphate Monohydrate this company is also offering different 27 product ranges they also produce sodium chloride IP which has different grades and they are selling this at 15 rupees lower, whereas M N CHEMICALS are selling sodium chloride at 18 rupees.
2. JD Industry Belgaum selling the products at 16 rupees
3. Nandu chemicals Hubli,

CHAPTER-4
SWOT ANALYSIS

SWOT analysis (strengths, weaknesses, opportunities and threats analysis) is a framework for identifying and analysing the internal and external factors that can have an impact on the viability of a project, product, place or person. SWOT analysis is most commonly used by business entities, but it is also used by non-profit organizations and, to a lesser degree, individuals for personal assessment.

4.1 STRENGTH

- **A profit-making company engaged in manufacturing of bulk drugs and intermediaries:** M N Chemicals, is making profits and is involved in the production of large quantities of both bulk drugs and intermediaries, which are intermediate compounds used in the production of finished products.
- **Company is promoted by technicians and professionals having exposure to the industrial field:** the company was started by individuals who are technicians and have practical experience in the industrial sector. And most of employees in higher authorities are having experience in their job
- **The location of plant builds in favourable climate condition:** the plant is located in an area with a climate that is ideal for its operations. For drug manufacturing
- **A versatile plant capable of change in product mix:** the plant has the ability to adapt to changes in the types of products it produces, which is a sign of flexibility and adaptability.
- Established clientele like nice chemical Cochin, Morgan Industries madras, Tata pharmaceuticals Bombay, Lakme Ltd. Bombay, S D fine chemical Bombay, Goa Antibiotics, TDC Ltd marketing network of the company is good: This means that the company has a solid customer base and a well-functioning marketing network. Some of the company's established clients include Nice Chemical in Cochin, Morgan Industries in Madras, Tata Pharmaceuticals in Bombay, Lakme Ltd. in Bombay, S D Fine Chemical in Bombay, Goa Antibiotics, and TDC Ltd.
- **The quantity of the products already tested by recognized industrial chemical research laboratories:** the products produced by the company have been tested by reputable chemical research laboratories, providing evidence of their quality.

- The sensitivity analysis indicate that the unit is capable of withstanding pressures on margins on account of increase in raw material cost or decrease in setting price and still generates surplus to service the borrowing and equity: the company's financial analysis has shown that it is able to withstand changes in the cost of raw materials or changes in the price it sets for its products, and still generate enough surplus to pay off its debts and equity.

4.2 WEAKNESS

- **High overhead and fixed costs:** The company has high costs that don't change with production volume, such as rent, salaries, and insurance. This can reduce profitability and put pressure on the company to maintain high production levels in order to cover these costs.
- **High transportation cost:** The company buys raw materials from outside the state, and its main customers are also located outside the state. This makes it difficult to transport the finished product, which increases the cost and affects profitability.
- **No job security:** The company does not provide job security to its employees, which can lead to low morale and high turnover rates.
- **Weak pollution control measures:** The company does not have adequate measures in place to control pollution, which can harm the environment and lead to penalties from government agencies.
- **Lack of delegation of water:** The company does not effectively delegate the use of water, which is a critical resource in the manufacturing process. This could result in inefficiencies and higher costs

4.3 OPPORTUNITIES

- **Location:** The location of the industry is excellent, providing a favourable environment for the company to grow and expand.
- **Availability of employees:** The company has the opportunity to expand its plant capacity as there is a availability of employees to work in surroundings of the kumat city

- **Infrastructure facility:** All the required infrastructure facilities such as electricity, water, transportation, and communication are easily available, which can help the company operate smoothly and efficiently.
- **Modern technology:** The company has the opportunity to invest in modern technology to produce high-quality products. This can improve the overall quality of the products, increase efficiency, and stay competitive in the market

4.4 THREATS

- **Distinct place from raw materials source:** The large distance between the supplier and the organization results in high transportation costs. This increases the overall cost of production and can negatively impact the company's profitability.
- **Better technology of other manufacturers:** The use of better technology by other manufacturers could help them to produce goods at lower rates, which could negatively impact the market share of M.N. Chemicals. This could result in increased competition and reduced demand for the company's products, leading to decreased sales and revenue

CHAPTER -05
ANALYSIS OF FINANCIAL STATEMENTS

Pertaining to MN chemicals Financial Statements are presented in this chapter

M N CHEMICAL LTD

5.1 BALANCE SHEET AS per 31ST MARCH 2020&2019&2018.

PARTICULAR	NOTE NO	31-03-2020	31-03-2019	31-03-2018
Shareholders fund				
Share capital		68254270	68254270	68254270
Reserve & surplus		8449726	6757844	6214149
Non-current liability				
long term borrowings		7272790	969763	
Deferred tax liabilities		83000	83000	83000
Current liabilities				
short term borrowing		26164300	44804895	70760854
Trade payable		65155602	47427605	28376056
short term provision		254040	386300	256060
Total		175125647	167911077	173432269
ASSETS				
non-current asset				
Fixed assets		40422986	34582806	
Tangible assets		263917	263917	41405721
Intangible assets				119917
Non-current investment		47708477	47708477	46982036
Long term loans and advances		400032	453595	
Other non-current asses				211966
Current assets				
Current investment				4589729
Inventories		8871743	10578520	8689956
Trade receivables		26609456	29584023	32923502
Cash and cash equivalents		8372989	5576901	639628
Short term loan and advances				
Other current assets		42456047	39162839	37869812

TOTAL		175125647	167911077	173432269
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M N CHEMICALS LTD

5.2 PROFIT AND LOSS ACCOUNT as per 31ST MARCH2020&2019&2018.

PARTICULAR	NOTE NO	31-03-2020	31-03-2019	31-03-2018
INCOME				
Revenue from operations		85245936	106190890	64129812
Other Income		1030749	3299240	1331206
Total revenue		86276685	109490130	65461018
Expenses				
Cost of material consumed		63336326	87315746	45919203
Employee benefit expenses		7310406	6166850	5143797
Finance cost		2670213	2537507	2490149
Depreciation and amortization		3064353	10094250	1948809
Others		7881728	2620482	8353419
Total expenses		84263026	108734844	63855378
Profit before tax		2013659	755286	1605640
Earlier year shorts				
Tax expenses				
Current Tax		321778	755286	306000
Deferred tax				
Profit after tax		1691881	543696	1299640
Profit/Loss B/F				3349469
Profit/Loss C/F				4649110

5.3 RATIO ANALYSIS

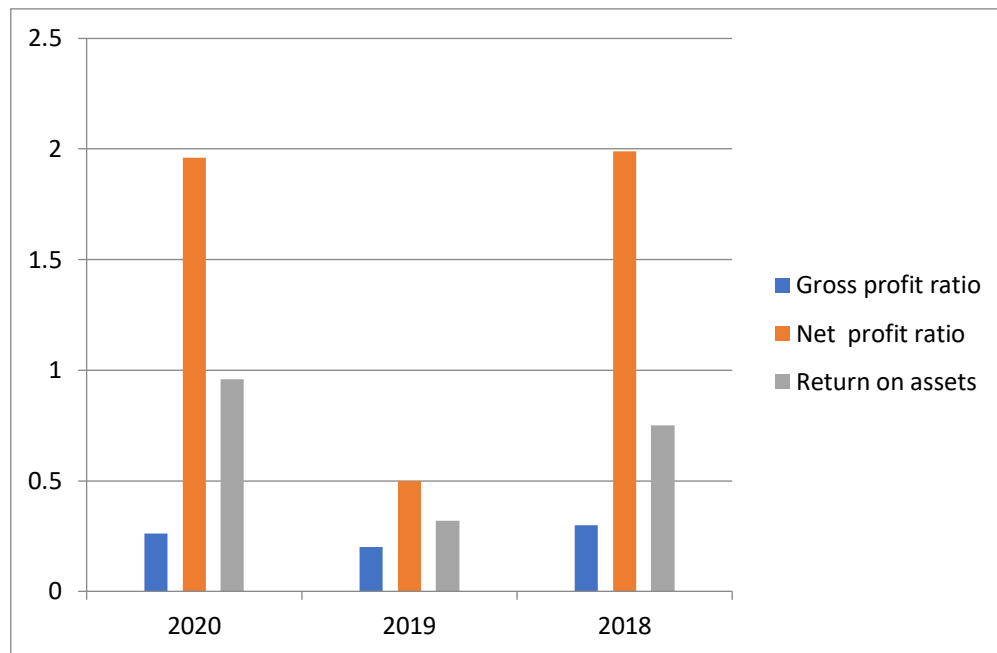
Ratio is a relationship expressed in mathematical terms between two individual groups of data connected with each other in some logical manner: Ratio analysis is widely used tool of financial analysis. This systematic method helps to interpret the financial statement so that the strengths and weakness of a firm as well as the historical performance and current financial condition can be determined.

Purpose of the ratio analysis

- To study the short-term solvency of the firm- LIQUIDITY of the firm.
- To study the long-term solvency of the firm- LEVERAGE position of the firm.
- To interpret the profitability of the firm- PROFIT EARNING capacity of the firm.
- To identify the operating efficiency of the firm-TURNOVER of the ratios.

RATIOS		2020	2019	2018
Profitability Ratio	Gross profit ratio	0.26%	0.20%	0.30%
	Net profit ratio	1.96%	0.50%	1.99%
	Return on Assets (ROA)	0.96%	0.32%	0.75%
Liquidity ratio	Current ratio	0.85	1.7	0.5
	Quick ratio	0.73	1.38	0.42
Leverage ratio	Debt to asset ratio	0.54	0.32	0.57
	Debt to equity ratio	1.23	0.72	1.33
Activity Ratio	Inventory Turnover Ratio	10.07 times	10.29 times	9.94 times
	Receivable Turnover Ratio	3.23 times	3.70 times	2.00 times

5.3.1 PROFITABILITY RATIO



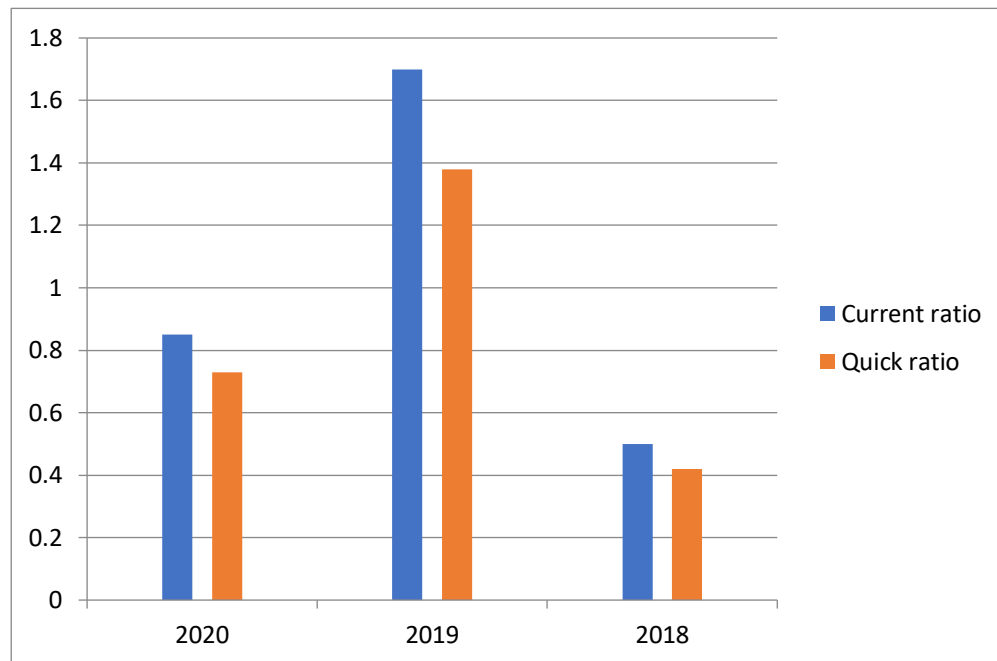
INTERPRETATION

Gross profit ratio: This ratio measures the gross profit earned by the company as a percentage of its revenue. The company's gross profit ratios for 2018, 2019, and 2020 were 0.30%, 0.20%, and 0.26%, respectively. This suggests that the company's gross profit margin has been fluctuating over the years, but overall, it has been low, especially in 2019.

Net profit ratio: This ratio measures the net profit earned by the company as a percentage of its revenue. The company's net profit ratios for 2018, 2019, and 2020 were 1.99%, 0.50%, and 1.96%, respectively. This suggests that the company's net profitability has been volatile over the years, with a significant drop in 2019, but it improved in 2020.

Return on Assets (ROA): This ratio measures the company's ability to generate profit from its assets. The company's ROAs for 2018, 2019, and 2020 were 0.75%, 0.32%, and 0.96%, respectively. This suggests that the company's profitability relative to its assets has been low and inconsistent, but it improved in 2020.

5.3.2 LIQUIDITY RATIO

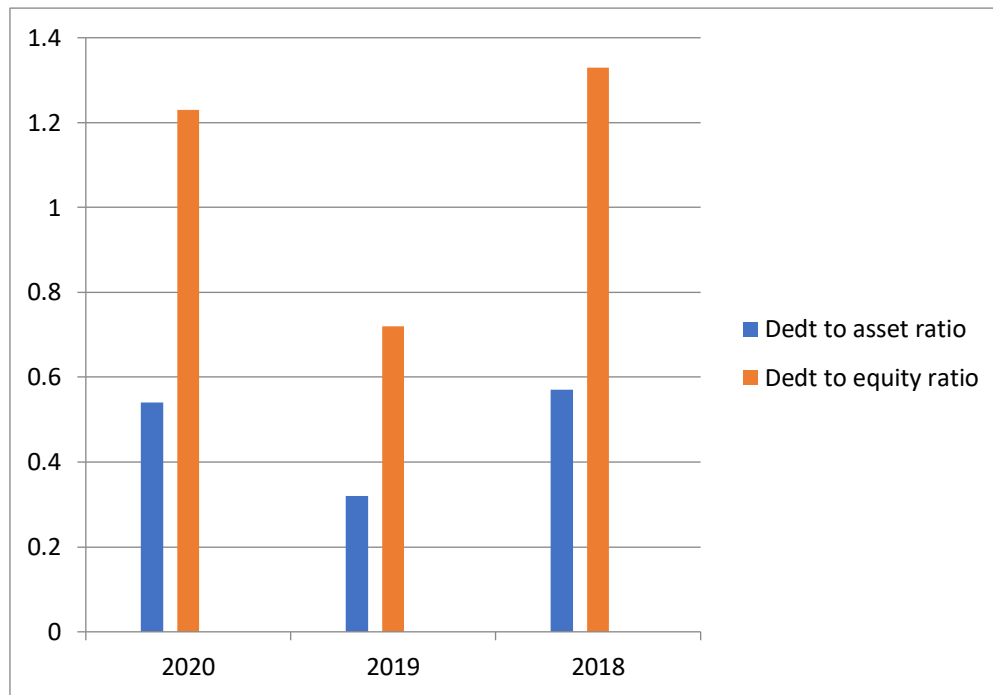


INTERPRETATION

Current ratio: This ratio measures the company's ability to pay its short-term obligations with its current assets. The company's current ratios for 2018, 2019, and 2020 were 0.50, 1.70, and 0.85, respectively. A current ratio of 1 or higher is generally considered to be good, indicating that the company has enough current assets to cover its current liabilities. Therefore, the company's current ratio was strong in 2019 but weakened significantly in 2020.

Quick ratio: This ratio measures the company's ability to pay its short-term obligations with its most liquid assets. The company's quick ratios for 2018, 2019, and 2020 were 0.42, 1.38, and 0.73, respectively. The quick ratio is a more conservative measure of liquidity compared to the current ratio, as it only considers the most liquid assets such as cash and cash equivalents, marketable securities, and accounts receivable. The company's quick ratio was strongest in 2019, but weakened in 2020, although it was still higher than the current ratio for the same year. This suggests that the company may have had difficulty converting its current assets into cash to meet its short-term obligations in 2020.

5.3.3 LEVERAGE RATIO

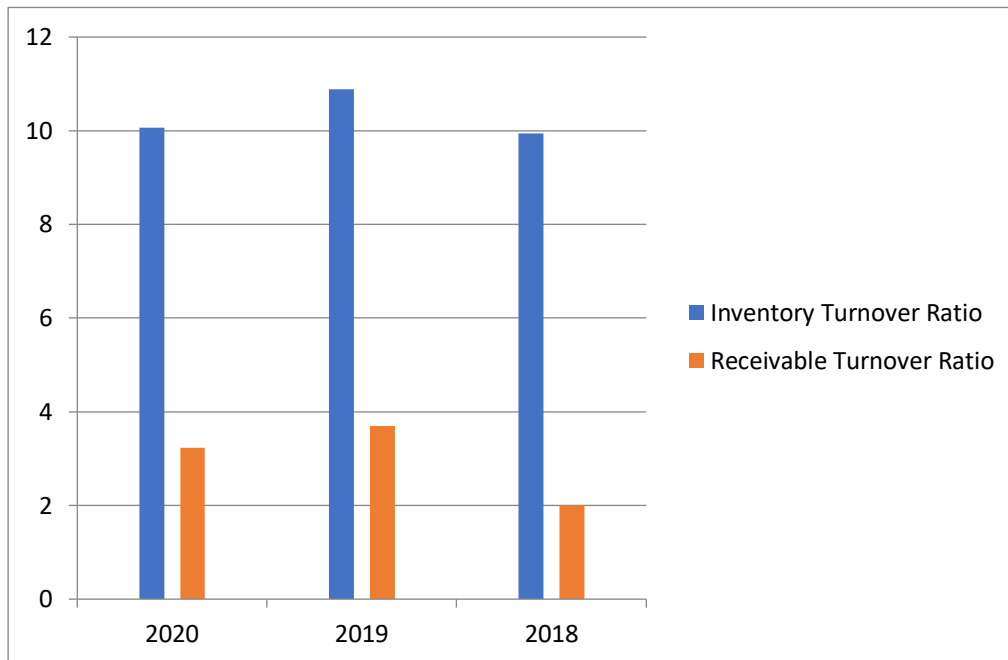


INTERPRETATION

Debt to asset ratio: This ratio measures the percentage of a company's assets that are financed by debt. A higher debt to asset ratio indicates that a greater proportion of the company's assets are financed through debt. In this case, the company's debt to asset ratio has increased from 0.32 in 2019 to 0.54 in 2020, which means that the company is relying more on debt to finance its assets.

Debt to equity ratio: This ratio measures the amount of debt a company has relative to its equity. A higher debt to equity ratio indicates that the company is relying more on debt financing than equity financing. In this case, the company's debt to equity ratio has decreased from 1.33 in 2018 to 0.72 in 2019, but then increased again to 1.23 in 2020. This suggests that the company has been using less debt financing in relation to equity, but then increased its debt relative to equity in the most recent year.

5.3.4 ACTIVITY RATIO



INTERPRETATION

Inventory turnover ratio: A high inventory turnover ratio indicates that a company is selling its inventory quickly and efficiently. Here, we have inventory turnover ratios of 10.07 times, 10.29 times, and 9.94 times for the years ending March 31, 2020, 2019, and 2018, respectively. This indicates that the company's inventory turnover has been fairly consistent over the three-year period.

Receivable turnover ratio: The receivable turnover ratio measures how many times a company collects its accounts receivable over a certain period. A high receivable turnover ratio indicates that a company is collecting its accounts receivable quickly and efficiently. Here, we have receivable turnover ratios of 3.23 times, 3.70 times, and 2.00 times for the years ending March 31, 2020, 2019, and 2018, respectively. This suggests that the company has been able to collect its accounts receivable more quickly in recent years, as the ratio has increased from 2.00 times in 2018 to 3.70 times in 2019, and then decreased slightly to 3.23 times in 2020.

CHAPTER-06
LEARNING EXPERIENCE

The internship at M.N Chemical Ltd. provided me with a valuable learning experience that will benefit me in my future career. Firstly, I was able to gain an understanding of how an organization implements policies, and how these policies affect the company's operations. This experience helped me to appreciate the importance of having well-structured policies and procedures in place to ensure the smooth running of an organization.

I was able to observe and learn about the manufacturing practices at M.N Chemical Ltd. I gained an insight into how the manufacturing process works and how it is managed. This experience helped me to understand the complexities involved in manufacturing and the importance of maintaining high-quality standards throughout the production process.

I was able to learn about the organizational structure of M.N Chemical Ltd. and how authority is distributed throughout the company. This experience helped me to appreciate the importance of clear communication channels and the need for effective leadership to ensure the success of an organization.

I had the opportunity to communicate with top-level managers in the company. This experience helped me to understand the importance of effective communication in an organization, and how it can be used to ensure that all departments are working towards common goals.

I was able to gain knowledge about different departments in the organization, which gave me a comprehensive understanding of how an organization operates. This experience helped me to appreciate the importance of collaboration and teamwork in an organization, and how the success of one department is dependent on the success of others.

Overall, the internship at M.N Chemical Ltd. was a valuable learning experience that helped me to understand how an organization operates and the essential factors that contribute to its success. The practical nature of the learning experience helped me to see how the concepts and theories I had studied in the classroom are applied in real-world situations

CONCLUSION:

M N Chemicals LTD was very helpful as it gave a chance to understand and learn in depth the chemical sectors with respect to M N Chemicals It. It helps to understand the working culture of the organization. M N Chemicals is small-scale industry which is manufacturing bulk drugs by utilizing the local available resource and it also requires some promotional activities to increase sales and thereby growth in profit in the business. It has given me an opportunity to study the organization structure and their function. And they also help me to analyse and to understand how the production process is carried out in organization.

REFERENCE

1. <http://www.mnchemicals.co.in>
2. <https://www.worldofchemicals.com/708/chemistry-articles/chemical-industry-in-india-an-overview.html>
3. Annual reports and other documents of the M N Chemical Ltd.

ANNEXURE

M N CHEMICAL LTD

5.1 BALANCE SHEET AS per 31ST MARCH 2020&2019&2018.

PARTICULAR	NOTE NO	31-03-2020	31-03-2019	31-03-2018
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Short term loan and advances				
Other current assets		42456047	39162839	37869812

TOTAL		175125647	167911077	173432269
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INTERPRETATION: BALANCE SHEET

The balance sheet of M N Chemical Ltd as of 31st March 2020 shows that the company's total assets are worth INR 175,125,647 while its total liabilities stand at INR 175,125,647 as well.

Share capital and reserve & surplus make up the shareholders' fund. The company has non-current liabilities such as long-term borrowings and deferred tax liabilities. Its current liabilities include short-term borrowings, trade payables, short-term provisions, and others.

In terms of assets, the company has fixed assets, non-current investments, long-term loans and advances, and other non-current assets. Its current assets include current investments, inventories, trade receivables, cash and cash equivalents, short-term loans and advances, and other current assets.

Comparing the data from the past three years, there seems to be an increase in the company's total assets and liabilities. However, a detailed analysis of the changes in each category would give a clearer picture

M N CHEMICALS LTD

5.2 PROFIT AND LOSS ACCOUNT as per 31ST MARCH 2020 & 2019 & 2018

PARTICULAR	NOTE NO	31-03-2020	31-03-2019	31-03-2018
INCOME				
Revenue from operations		85245936	106190890	64129812
Other Income		1030749	3299240	1331206
Total revenue		86276685	109490130	65461018
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Cost of material consumed		63336326	87315746	45919203
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Deferred tax				
Profit after tax		1691881	543696	1299640
Profit/Loss B/F				3349469
Profit/Loss C/F				4649110

INTERPRETATION: PROFIT AND LOSS A/C

The year ended 31st March 2020 saw a decrease in revenue from operations (85,245,936) by 20.5% compared to the previous year, but an increase of 32.4% compared to 2018. Other income saw a decrease of 68.7% compared to the previous year, but an increase of 77.2% compared to 2018. Expenses saw mixed results, with cost of material consumed decreasing by 27.3% compared to the previous year, but increasing by 37.6% compared to 2018. Employee benefit expenses increased by 18.6% compared to the previous year, but decreased by 42.0% compared to 2018. Finance cost increased by 5.3% compared to the previous year, but decreased by 8.0% compared to 2018. Depreciation and

amortization decreased by 69.4% compared to the previous year and by 84.5% compared to 2018. Other expenses increased by 198.9% compared to the previous year, but decreased by 6.0% compared to 2018. The profit before tax decreased by 73.2% compared to the previous year, but increased by 25.1% compared to 2018. The current tax decreased by 57.4% compared to the previous year, but increased by 4.0% compared to 2018. The profit after tax decreased by 68.7% compared to the previous year, but increased by 31.0% compared to 2018.