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"A Scrutinous Comparison of The Value-Addition Efficacy Across Selected Paper Manufacturing Corporations"

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Abstract: *This paper is comparative examination of capacity of Value Addition of selected paper manufacturing companies. To compare and examine first of all, two samples from paper manufacturing industry were taken on the basis of Net sales of 2023-24. These samples were JK Papers and Tamil News Print. To achieve that purpose of calculation of Value Added ability Gross Value Added (GVA) and Net Value Added (NVA) were taken and period of the study was 5 years (from 2019-20 to 2023-24). The GVA and NVA were calculated on the basis of additive method. Data and figures were analysed by student t test with 5 % level of significance. As a outcome/result of the study, it was revealed that the JK Papers is generating almost double the GVA and NVA than Tamil News Print. The reason behind that was difference in sales of both companies.*

Key Words: *Paper Industry, JK Papers, Tamil News Print, Gross Value Added (GVA), Net Value Added (NVA)*

INTRODUCTION:

Value Added Accounting is one of the recent revolutionary account which gain popularity in very short span of time because of its utility in recent time. In the accounting fraternity, many accounting methods and techniques are used for various purposes. From which nowadays Value Added Accounting is earning more and more popularity than any other form of account. [3],[7],[8]
Value Added Accounting is an method of accounting in which the amount of value being added by company during a period of any time is calculated. In recent time, this accounting is getting much sensation among the new entrepreneurs as to know if the activity or organization worth indulging into or not. [1],[2], [9]

LITERATURE REVIEW:

A.D.Patel (2018), This is a paper on basic fundamentals of Value Added Statement (VAS). This paper informed about definition of Value Added, meaning of Value Added, types of Value Added and also it gives the pro-forma of Value Added Statement (VAS). This paper also suggested how Value Added Statement (VAS) can be more beneficial to all the users of financial statements.

Santos et al., (2019), This study was done to know if Value Added Accounting can give information to investor than financial accounting or its just a myth. To find out the result approximately 140-150 samples were taken into study. Researchers prepared the Value Added Statement of all the companies and then analysed on the basis of the various necessity of the investors. At last, it was revealed that Value Added Statement acutally provides the more information than financial accounting to investors.[8]

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B.S.Yogesha, B. Mahadevappa (2014), This an explanatory paper about how Value Added Ratios can be helpful in understanding the fundamentals of the business. For that purpose, the sample of "Indian Oil Corporation" was taken and its ratio for the period of 7 years was prepared. On the basis of Value Added Ratios and other information it was revealed that Value Added Statement and Value Added Ratios are actually much helpful to provide insight regarding the information of company.[11]

A.P. Chirodiya (2023), This paper is dedicated to know which company from Indian Steel Industry is generating more value. For the purpose of that researcher took the samples of 3 largest steel manufacturing companies of India. Quantitative Figures/Data has been taken for 5 years and value added statement was prepared to know the figures of GVA and NVA. It was revealed that TATA Steel was the highest generator of value during the period of study.[4]

RESEARCH METHODOLOGY:

- **Objectives of the study**
  - To know and analyze Gross Value Added (GVA) and Net Value Added (NVA) of selected samples
  - To make comparison of GVA and NVA of selected Samples

- **Sample and Sample Selection**
  - Both of the samples from Paper Manufacturing Industry are chosen with the help of Non Probability Method – Judgmental Technique.
  - These two samples are selected on the basis of Net Sales of 2023-24. Which are as below :

Name of Sample Company	Net Sales (in Rs.)
JK Papers	5,860.02 Crores
Tamil Newsprint	4,692.82 Crores

- **Period of the study**
- The period of study is 5 years starting from 2019-20 to 2023-24.

- **Hypotheses of the study-**
- **H_0** = There is no noticeable difference in Gross Value Added (GVA) between JK Papers and Tamil Newsprint
- **H_0** = There is no noticeable difference in Net Value Added (NVA) between JK Papers and Tamil Newsprint

- **Tool for analysis**
- In this paper, as the tool of analysis student T-test is used. T test usually used to know if there is any significance difference in the mean of two samples. Here, to know and analyze (if any) variation in the mean of data T-test is used.

ANALYSIS & INTERPRETATION:

Table No. 1 JK Papers.

(Rs. In Crores)

Years	PBT	(+)Cost Of Employees	(+) Depreciation	(+) Interest	GVA	(-) Depreciation	NVA
2019-20	696.39	287.67	149.48	129.30	**1,262.84**	149.48	**1,113.36**
2020-21	370.21	305.32	174.25	128.60	**978.38**	174.25	**804.13**

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2021-22	796.70	381.52	193.05	131.88	**1,503.15**	193.05	**1,310.10**
2022-23	1,646.48	483.67	281.85	222.48	**2,634.48**	281.85	**2,352.63**
2023-24	1,324.68	566.20	310.10	208.08	**2,409.06**	310.10	**2,098.96**

(Source : www.moneycontrol.com)[13]

Analysis: Above table shows the calculation of Gross Value Added (GVA) and Net Value Added (NVA) of JK Papers with the help of additive method of Value Added Accounting.
During the study period GVA of JK Papers showing the mixed trend. First it started from 1,262.84 Crores in 2019-20 which has fallen very next year to 978.38 Crores in 2020-21. Then it reached to 1,503.15 Crores in 2021-22 paving the way for further increment in next year of 2022-23, in which it touched the 2,634.48 mark (highest during the period). Then it was decreased to 2,409.06 Crores in the year of 2023-24.
Similarly to GVA, NVA of the JK Papers showing the mixed trend during the study period. It was recorded at 1,13.36 Crores in 2019-20. Then it faces a downfall and ended to 804.13 Crores in 2020-21 (lowest). Then it rose up to 1,301.10 Crores in 2021-22 just before to make it almost double in 2022-23, in which it recorded its highest with 2,352.63 Crores. Then in 2023-24, it was down to 2,098.96 Crores.

Table No. 2 Tamil News Print

(Rs. In Crores)

Years	**PBT**	**(+)Cost Of Employees**	**(+) Depreciation**	**(+) Interest**	**GVA**	**(-) Depreciation**	**NVA**
2019-20	190.53	293.56	231.24	222.59	**937.92**	231.24	**706.68**
2020-21	-98.69	307.10	235.33	193.33	**637.07**	235.33	**401.74**
2021-22	22.03	315.32	228.68	156.42	**722.45**	228.68	**493.77**
2022-23	602.76	349.07	263.60	181.66	**1,397.09**	263.60	**1,133.49**
2023-24	324.76	475.40	290.51	223.48	**1,314.15**	290.51	**1,023.64**

(Source : www.moneycontrol.com)[13]

Analysis : The above table shows the figures of Gross Value Added (GVA) and Net Value Added (NVA) of Tamil Newsprint with the help of additive method of Value Added.
Starting from 2019-20, GVA was showing the mixed trend during the period of study. It was 937.92 Crores in 2019-20, then it went down to 637.07 Crores (lowest) in very next year of 2020-21. In 2021-22, it went up to 722.45 Crores. Just after that in 2022-23, it went up to 1,397.09 Crores (highest). Then again it was down by bits and ended to 1,314.15 Crores.
Likewise the GVA, NVA also showing the mixed trend during the stud period. It was 706.68 Crores in 2019-20. Which was further down to 401.74 Crores (lowest) in 2020-21. Then it increased to 493.77 Crores in 2021-22. Then it touched its highest during 2022-23, to 1,133.49 Crores. After that again it again down to 1,023.64 Crores in 2023-24.

RESULT OF THE STUDY:

Table no. 3 Result of Study

No.	**Ratio**	**Calculated Value (t stat)**	**Table Value (t crit)**	**Result**
1	Gross Value Added (GVA)	2.104	2.306	**H_0 is ACCEPTED**
2	Net Value Added (NVA)	2.385	2.306	**H_0 is REJECTED**

Analysis:
From the analysis of data by using student t-test it is visible that for the Gross Value Added (GVA), Calculated Value is 2.104 and table value is 2.306 for 5 % level of significance. Here, the calculated value (t stat) is lower than Table value (t crit) and ***Null hypothesis cannot be rejected.*** Hence, it can be said that ***There is no noticeable difference in Gross Value Added (GVA) between JK Papers and Tamil Newsprint.***

From the data of Net Value Added (NVA), where Calculated Value is 2.385 and Table value is 2.306 for 5 % level of significance. It is clear that Calculated value is higher than table value. So, it means ***Null hypothesis cannot be accepted*** and it can be said that ***There is noticeable difference in Net Value Added (NVA) between JK Papers and Tamil Newsprint.***

FINDINGS :

- On an average JK Papers is generating more Gross Value Added (GVA) and Net Value Added (NVA) than Tamil News Print during the study period.
- The reason behind the performance of JK Papers is the net sales of the company.
- Due to higher sales and other superior aspect JK Papers is generating almost double the amount of GVA and NVA than Tamil News Print.

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