

Study on Finance in Bright Way Institution

Mr.Pankajkumar Rajan Ram, Prof.Rameshwari Akkoikar,Dr.Ashwini Kshirsagar

Mr.Pankajkumar Rajan Ram ,MASTERS OF MANAGEMENT STUDIES & Alamuri Ratnamala Institute of Engineering and Technology (ARMIET),

Prof.Rameshwari Akkoikar, MASTERS OF MANAGEMENT STUDIES & Alamuri Ratnamala Institute of Engineering and Technology (ARMIET),

Dr.Ashwini Kshirsagar, MASTERS OF MANAGEMENT STUDIES & Alamuri Ratnamala Institute of Engineering and Technology (ARMIET),

Abstract

This study delves into the financial management practices of Bright Way Institution, exploring various aspects related to financial planning, budgeting, resource allocation, and performance evaluation. The financial health of an educational institution is crucial for its sustainability and ability to provide quality education. The research employs a mixed-methods approach, combining quantitative analysis of financial data with qualitative insights gathered through interviews and surveys.

The study begins by providing an overview of the current financial landscape in the education sector and the challenges faced by institutions. It then narrows its focus to Bright Way Institution, analyzing its financial statements, budgetary allocations, and investment strategies. The quantitative analysis includes key financial ratios, liquidity assessments, and trend analyzes to evaluate the institution's financial stability and efficiency.

In addition to quantitative measures, qualitative aspects are explored through interviews with key stakeholders, including financial officers, administrators, and faculty members. These insights provide a holistic understanding of the institution's financial decision-making processes, risk management strategies, and the alignment of financial goals with educational objectives.

Key findings highlight the institution's strengths and areas that may require attention. Recommendations are proposed to enhance financial sustainability, improve resource allocation, and mitigate potential risks. The study also explores the role of technology in financial management and suggests ways to leverage financial technologies for greater efficiency.

Keywords:

Financial Management, Education Sector, Budgeting, Resource Allocation, Financial Sustainability, Risk Management, Financial Ratios, Higher Education, Performance Evaluation.

1. INTRODUCTION

The contemporary landscape of the education sector is marked by dynamic challenges and opportunities, particularly in the realm of financial management. As educational institutions strive for excellence, financial stability becomes a cornerstone for their sustained growth and the delivery of high-quality education. This research paper embarks on an insightful journey into the financial intricacies of Bright Way Institution, seeking to unravel the nuanced practices that underpin its fiscal health and operational vitality.

In the ever-evolving context of educational finance, institutions face multifaceted challenges, from resource constraints to the imperative of adapting to technological advancements. The financial decisions made by educational leaders play a pivotal role in shaping the institution's trajectory and, consequently, its ability to provide a conducive learning environment. Against this backdrop, the study aims to provide a comprehensive understanding of how Bright Way Institution navigates the complex terrain of financial management.

The title, "Study On Finance In Bright Way Institution," encapsulates the broad scope of this research endeavor. By delving into the institution's financial practices, the research seeks to unearth valuable insights that contribute to the broader discourse on financial management within the education sector. Bright Way Institution serves as the focal point, allowing for an in-depth examination of financial planning, budgetary allocations,

investment strategies, and the alignment of financial goals with the institution's overarching mission.

This research is not merely an exploration of numbers and financial statements; rather, it aspires to unravel the narrative behind the financial decisions. Through a mixed-methods approach, the study combines quantitative analyses of financial data with qualitative perspectives garnered through interviews and surveys. This dual lens provides a holistic view, capturing the quantitative metrics that define financial health and the qualitative nuances that shape financial decision-making.

The significance of this research extends beyond the walls of Bright Way Institution. As the findings unfold, they offer valuable insights for educational leaders, policymakers, and researchers grappling with the intricate interplay between financial management and educational excellence. The research paper is a scholarly endeavor to contribute to the ongoing dialogue on financial sustainability, prudent resource allocation, and innovative approaches to managing finances in the dynamic landscape of educational institutions.

As we embark on this intellectual exploration, the "Study On Finance In Bright Way Institution" aims to shed light on the financial intricacies that propel educational institutions forward, facilitating informed decision-making and fostering financial practices that align with the institution's core values and academic mission.

In elucidating the financial dynamics of Bright Way Institution, the research will systematically dissect

the institution's revenue streams, expenditure patterns, and investment strategies. An in-depth analysis of budgetary allocations will be conducted to discern how financial resources are distributed across academic programs, infrastructure development, faculty support, and student-centric initiatives.

Furthermore, the study will explore the challenges and opportunities that Bright Way Institution encounters in its financial landscape. This involves an examination of external factors such as government funding, economic fluctuations, and global trends in education that may impact the institution's fiscal resilience. Concurrently, internal factors like governance structures, financial policies, and decision-making processes will be scrutinized to comprehend the institution's financial management framework.

The title, "Study On Finance In Bright Way Institution," encapsulates a commitment to unraveling the financial intricacies that influence strategic decision-making within the institution. Financial stewardship in educational institutions requires a delicate balance between resource optimization and delivering academic excellence. As such, the research will delve into the measures undertaken by Bright Way Institution to ensure fiscal prudence while upholding its commitment to providing a high-quality learning environment.

The quest for financial sustainability is a central theme, and the study will assess the institution's long-term financial goals and strategies for achieving them. This involves an examination of

fundraising initiatives, partnerships, and the integration of technological solutions to enhance financial efficiency. The research aims to extract lessons and best practices that can be disseminated to the wider educational community, fostering a collaborative approach to financial challenges.

By the conclusion of this research, it is anticipated that a nuanced understanding of Bright Way Institution's financial landscape will emerge. This understanding is not confined to financial indicators alone but extends to the institution's ethos, vision, and its intricate dance with financial imperatives. The paper aspires to be a valuable resource for educators, administrators, and researchers seeking to navigate the complex intersection of finance and education, providing insights that transcend the specific context of Bright Way Institution to contribute to the broader discourse on educational finance.

2. Body of Paper

CRISIL Ratings Limited, a subsidiary of CRISIL Limited, has been a trailblazer in the credit rating industry since it introduced the concept of credit rating to India in 1987. Known for its independence, analytical rigor, and commitment to innovation, CRISIL Ratings has been instrumental in setting the standards for credit rating services.

The scope of CRISIL Ratings encompasses the entire spectrum of debt instruments, covering diverse financial products such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital

instruments, asset-backed and mortgage-backed securities, partial guarantees, and other structured debt instruments. Over the years, CRISIL Ratings has rated more than 33,000 large and mid-scale corporates and financial institutions, establishing itself as a prominent player in the credit rating domain.

CRISIL Ratings has been a pioneer in introducing innovative practices to the Indian credit rating landscape. Some of these innovations include rating municipal bonds, partially guaranteed instruments, and infrastructure investment trusts (InvITs), reflecting the company's commitment to adapting and evolving with the changing financial landscape.

As a wholly-owned subsidiary of CRISIL Limited, CRISIL Ratings operates as a credit rating agency registered in India with the Securities and Exchange Board of India (SEBI). This regulatory recognition underscores CRISIL Ratings' adherence to the highest standards of professionalism and governance in the credit rating industry.

The outlook for BCD remains stable, according to CRISIL, with the firm expected to continue benefiting from the extensive experience of its partners. The rating sensitivity factors outlined by CRISIL provide a comprehensive overview of the key elements that could impact BCD's credit rating.

On the positive side, upward factors include achieving a cash accrual of Rs 1 crore per fiscal, driven by sustained improvement in revenue with stable profitability. Efficient working capital management is also highlighted as a positive factor that could contribute to an upward rating.

Conversely, there are potential downward factors that might impact the credit rating negatively. These include a decline in cash accrual to below Rs 0.1 crore per fiscal, which could be attributed to a drop in revenue or profitability. Additionally, a further stretch in the working capital cycle is identified as a risk that could impact the financial risk profile, particularly in terms of liquidity.

Providing background information about the firm, BCD was established in 2007 as a partnership firm by Mr. Ankur Sarin, Mr. Sanjeev Kumar, and Mr. Kawaljit Singh. It specializes in the construction of buildings, roads, and bridges for government departments. It's worth noting that Mr. Sarin exited the firm in fiscal 2009.

This assessment by CRISIL offers a valuable insight into the financial health and risk factors associated with BCD. Monitoring these factors will be crucial for stakeholders to make informed decisions and understand the potential trajectory of the firm's credit rating.

Key Financial Indicators

As on/for the period ended March 31	Unit	2020	2019
Operating income	Rs crore	2.50	3.46
Reported profit after tax (PAT)	Rs crore	0.33	0.16
PAT margin	%	13.02	4.72
Adjusted debt/adjusted network	Times	0.98	1.50
Interest coverage	Times	1.43	1.32

The 'CRISIL B/Stable/CRISIL A4' ratings on the bank facilities of Brightway Contractors and Developers (BCD) have been reaffirmed by CRISIL. This rating reflects a 'B' rating for the long-term bank facilities and a stable outlook, while the short-term bank facilities receive an 'A4' rating.

The ratings are indicative of certain weaknesses in BCD's financial profile, including its modest scale of operations, a working capital-intensive nature of business, and an average financial risk profile. These weaknesses are, however, mitigated to some extent by the extensive experience of the partners in the construction industry.

Key Rating Drivers & Detailed Description

Rating Rationale	
September 10, 2020 Mumbai	
Brightway Contractors and Developers	
Ratings Reaffirmed	
Rating Action	
Total Bank Loan Facilities Rated	Rs.9.5 Crore
Long Term Rating	CRISIL B/Stable (Reaffirmed)
Short Term Rating	CRISIL A4 (Reaffirmed)
1 crore = 10 million	
Refer to annexure for Details of Instruments & Bank Facilities	
Detailed Rationale	
CRISIL has reaffirmed its 'CRISIL B/Stable/CRISIL A4' ratings on the bank facilities of Brightway Contractors and Developers (BCD).	

Weaknesses:

- Modest Scale of Operations with Geographical Concentration:** BCD experienced a decline in revenue from Rs 3.46 crore in fiscal 2019 to Rs 2.5 crore in fiscal 2020 due to the execution of fewer orders. The revenue visibility for fiscals 2020 and 2021, with projects worth Rs 25 crore to be executed, is considered modest. Additionally, BCD's operations are concentrated in Batala, Punjab, making the firm dependent on local tenders and susceptible to changes in state government policies.
- Working Capital-Intensive Operations:** The working capital requirement remains high, with gross current assets at 891 days as of March 31, 2020, driven by a substantial inventory of 656 days (primarily work-in-progress). However, a payable period of 800 days supports working capital.
- Weak Financial Risk Profile:** BCD's net worth was modest at Rs 2.87 crore as of March 31, 2020, due to low profitability and reserves accretion. The total

outside liabilities to adjusted net worth ratio was moderately high at 1.87 times. Debt protection metrics were weak, with an interest coverage ratio of 1.4 times during FY20.

Strength:

- Extensive Experience of the Partners:** BCD benefits from the partners' experience of over two decades and a healthy relationship with customers and suppliers. The partners had previously engaged in the manufacturing of bricks and allied products supplied to government departments before starting construction activities in BCD in 2007.

Liquidity Poor:

- Cash accrual stood low** at Rs 0.15 crore during FY20 and is expected to remain low (ranging Rs 0.3-0.6 crore) over the medium term. Bank limit utilization was moderate at 73.95% during the 12 months through July 2020. The current ratio was moderate at 1.22 times on March 31, 2020.

The rating sensitivity factors highlight the importance of cash accrual, efficient working capital management, and potential downward factors like a decline in revenue or profitability. The extensive experience of the partners is considered a significant positive factor, balancing the weaknesses in BCD's financial profile.

SWOT ANALYSIS of Bright Wayz:

Strengths:

1. Well-Educated and Trained Staff

Bright Wayz boasts a team of well-educated and trained staff, efficiently allocated to their respective departments.

2. Excellent Infrastructure Facilities:

The company maintains excellent infrastructure, ensuring fresh and healthy refreshments for both customers and staff.

3. Intangible Services:

Bright Wayz provides intangible services, emphasizing the quality and value of their offerings.

4. Reputation in the Market:

The company has established a strong reputation in the market, contributing to its credibility.

5. Bold Clientele:

Bright Wayz serves bold clients who are willing to take chances, indicating a positive and dynamic business approach.

6. Diverse Client Base:

The company collaborates with a wide range of clients from different sectors and regions, fostering diversity.

7. Motivational Work Environment:

Employees are motivated to work harder, aligning their efforts with the organization's goals.

8. Digital Promotion: Bright Wayz actively promotes its business through digital channels and word of mouth, enhancing its visibility.

Weaknesses:

1. Limited Awareness in Mumbai:

Being situated in Thane district, many people in Mumbai may not be aware of Bright Wayz, potentially limiting its customer base.

2. Established for 5 Years:

The company, having been in business for five years, might face challenges in convincing customers due to its relatively short establishment period.

Opportunities:

1. Tailored Facilities for Students:

Bright Wayz has the opportunity to provide various facilities, both verbal and non-verbal, catering to the specific needs of students.

2. Public Speaking Opportunities:

The platform offers the freedom to work and speak in front of a large audience of students and parents, providing valuable exposure.

Threats:

1. Trust Issues with Fees and Documents:

There may be challenges related to trust, particularly concerning the handling of student fees and documents.

2. Information Overload and Follow-ups:

Managing a large volume of information and regularly following up with students, including details about timing and feedback, can become burdensome.

3. Internal Sector Competition:

The company faces strong competition within its sector, requiring continuous efforts to maintain a competitive edge.

CONCLUSION

In conclusion, the research paper delving into the finance practices of Bright Way Institution has provided a comprehensive understanding of the institution's financial landscape. The study aimed to explore various facets of financial management within the organization, shedding light on both strengths and areas that require attention. The analysis revealed several strengths in Bright Way Institution's financial framework. The institution boasts a team of well-educated and trained staff, contributing to the efficiency of operations. The excellent infrastructure facilities and intangible services offered further enhance the institution's appeal. Additionally, the established reputation in the market, coupled with a diverse client base and a motivational work environment, positions Bright Wayz favorably in the competitive landscape. However, certain weaknesses were identified, including limited awareness in Mumbai and the potential challenges of convincing customers due to the institution's relatively short establishment

period. Opportunities for improvement were highlighted, emphasizing the provision of tailored facilities for students and leveraging public speaking opportunities to reach a broader audience.

Moreover, threats such as trust issues with fees and documents, information overload, and internal sector competition were acknowledged. These threats necessitate proactive strategies to build trust, streamline information management, and maintain a competitive edge in the market.

In essence, the research underscores the importance of a robust financial strategy for educational institutions like Bright Wayz. By capitalizing on strengths, addressing weaknesses, exploring opportunities, and mitigating threats, the institution can enhance its financial resilience and sustain its growth trajectory.

This study provides valuable insights for stakeholders, administrators, and policymakers to make informed decisions that contribute to the institution's financial well-being and overall success. As Bright Wayz navigates the dynamic landscape of education, a strategic and well-informed approach to finance will undoubtedly be instrumental in achieving its long-term goals.

References

- www.crisil.com/complexity-levels
- www.Brightwayz.in
- www.Brightwayz4career
- www.facebook.com/Brightwayz4career
- brightwayz_mba
- www.studocu.com

Following are the list of books and links which has been referred for completing the project work:

- Business Research Method (MANAN PRAKASHAN 1ST EDITION)
- Principles of management (VIPUL PRAKASHAN 3RD EDITION)
- [International Health and Medical Research Act of 1959: ... - Page 89](#)
- The Financial Crisis Inquiry Report
- The Final Report of the National Commission on the Causes of the Financial and Economic Crisis in the United Stat