ASSESSMENT OF FINANCIAL PERFORMANCE OF SPORTS EQUIPMENT COMPANY IN INDIA

A Project Report submitted in partial fulfilment of the requirements forThe Award of the Degree of

MASTER OF BUSINESS ADMINISTRATION
Of
BENGALURU NORTH UNIVERSITY

Submitted By
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21MIFB18

School of Management

KRISTU JAYANTI COLLEGE, AUTONOMOUS

Bengaluru – 560077

DECEMBER 2022

DECATHLON

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TO WHOMSOEVER IT MAY CONCERN

This is to certify that Mr. ____GOKUL DHURUVAN____ has completed internship at Decathlon Sports India Pvt Ltd, Karnataka from 01-09-2022 to 30-11-2022 on "CUSTOMER RELATIONSHIP MANAGEMENT" under the guidance of ____ANITHA P____.

During the period of his internship programme with us, we found he was punctual, hardworking and inquisitive.

We wish him all the very best for his future endeavours.

Decathlon Sports India Pvt. Ltd.

For Decathlon Sports India Pvt Ltd

Anitha

Authorised Signatory

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Place: Bangalore

Date:

Dr. A. John William
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School of Management

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DECLARATION

I, **GOKUL D (21MIFB18)** hereby declare that the project work entitled "**ASSESSMENT OF FINANCIAL PERFORMANCE OF SPORTS EQUIPMENT COMPANY IN INDIA**" is an original study carried out by me, under the guidance of **Dr. A. JOHN WILLIAM**. This project report has not been submitted earlier either to this University / Institution or any other body for the fulfilment of the requirement of a course of study.

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ACKNOWLEDGEMENTS

Gratitude is the fairest blossom which springs from the soul."- Henry Ward Beecher
I would like to take this opportunity to thank almighty God for blessing me and helping me complete this dissertation and guiding me through all the humble people who made it possible.

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ABSTRACT

The objective is to examine and understand Decathlon India Private Limited's financial metrics and earnings forecast levels. It is important to understand the mechanism of financial analysis in manufacturing companies and improve the efficiency of financial analysis. Through this research, the company helps estimate forecast levels. The data was collected by Decathlon India Private Limited and the data used is from secondary sources. The collected data were evaluated in Excel. This course provides an overview of company financial figures and sales forecasts.

The review of literature provides a solid foundation for a thorough understanding of the retail business. It has considered extensive reading, examination, collection, and retrieval of literature in the field of retail companies. Constructive analysis of the information gathered in the rigorous literature review adds to the current corpus of knowledge in terms of proposed improvements in financial management practices of private Retail companies in India. The primary goal of the research is to identify, comprehend, and analyses various financial management practices adopted and implemented by selected private sector retail companies in order to improve their performance and financial Soundness.

The study also summarizes key findings on financial management practices used by selected private sector retail companies in India. Based on the findings, meaningful recommendations are provided to insurers the products, policyholders, investors, regulators and other users to better understand the financial management practices of private retail companies in Indi.

Keywords: Ratios, Comparative Balance sheet and sales forecasting, financial statements

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CHAPTER I
INTRODUCTION

Balance sheet analysis is a method of reviewing and analyzing a company's accounting reports (financial statements) to evaluate past, present or expected future results. This process of reviewing financial statements enables better economic decision-making. Listed companies around the world are legally required to file financial statements with relevant authorities. For example, companies listed in the United States must file financial statements with the Securities and Exchange Commission (SEC). Companies are also required to present annual financial statements in an annual report available to stakeholders. The annual financial statements are tailored to your needs, so the second step is to analyze them effectively so that you can predict future profitability and cash flow. Therefore, the main purpose of the year-end analysis is to use information about the company's past performance to predict future developments. Another important purpose of analyzing financial statements is to identify and resolve potential problem areas. Finance is the language of any business. Among the aptitude essential for comprehension and dealing with a business is capability in the language of money, i.e., the ability to have the option to peruse and understand monetary data and furthermore to have the option to show information through monetary reports. The ability to receive monetary data is fundamental to any business leader. Every organization's goals and objectives are set in monetary terms and its results are additionally measured in monetary terms. “I will teach you how to become rich. Close the entrance. Be unhappy when others are greedy. Be greedy when others are unhappy." Warren Buffett Money also combines the analysis of information contained in financial statements with the intent to work with critical data to support board decisions. This makes monetary research one of the important parts of overall monetary operations. Makes it one Institutional reports and manuals contain a lot of data Exploring the full meaning of statements is the foundation of currency expertise. Annual financial statement analysis users Balance sheet analysis users vary. It can be divided into internal users and external users. Internal users are company executives who analyze financial statements and make decisions related to company activities. External users, on the other hand, do not necessarily belong to the company, but are still financially involved. This includes owners, investors, lenders, governments, employees, customers and the general public.

1.1 MAJOR FACTORS IN SPORTS EQUIPMENT COMPANIES

MANAGEMENT

Managers use balance sheet analysis to make intelligent business performance decisions. For example, you can use accounting reports to estimate costs per sales channel and cash on hand, and make decisions based on these analysis results.

OWNERS

Small business owners need financial information from their business to determine if it is profitable. This will help you decide whether to continue with your business, improve your business strategy, or give up entirely.

INVESTORS

People who buy shares or shares of a company need financial information to analyze the company's performance. They use balance sheet analysis to decide what to do with their investments in the company. Therefore, depending on the circumstances of the company, additional shares are held, sold or purchased.

CREDITORS

Lenders want to know if a company can make payments on time. A cash flow analysis of a company's accounting records is used to measure a company's liquidity or short-term solvency.

EMPLOYEE'S

Employees need to know if their jobs are safe and if they have a chance of getting promoted. They want to know about the profitability and stability of your business. Employees may also be interested in finding out about the company's financial position and whether there are expansion plans, and therefore career prospects.

CUSTOMERS

Customers need to know the company's ability to serve them in the future. When customers (ie, four distributors or buyers of specialty products) rely entirely on the company for supply, the need to know about the stability of the company's operations increases.

CHAPTER II
REVIEW OF LITERATURE

2.1 INTRODUCTION

1. **Vijayakumar A. (1996):** He studied "Corporate Liquidity Assessment – An Approach to Discrimination Analysis". In this study, he revealed that sales growth rate, leverage, current ratio, operating cost according to sales, and vertical integration are important variables that determine the profitability of sugar industry companies. He also studied the short-term liquidity status of 28 selected sugar mills from cooperatives and the private sector. In this study, researchers used differential analysis to differentiate between good risk and low risk companies based on current and liquidity ratios. In this study discriminating 'Z' scores have been calculated with the help of discriminate function and according to the 'Z' scores the companies are ranked in the order of liquidity. 12

2. **Dhankar (1998):** He has studied about the criteria of performance measurement for business enterprises in India study of public sector undertakings. The author gives a new model for measuring the performance of a business enterprise in India, wherein, the basis is to compare its actual rate of return with its expected risk adjusted rate of return. Realizing the importance and controversy of the public sector in India, an attempt was made to measure the performance of all public sector undertakings, which were started up to 1964 and were in operation until 1983. It's shocking that, on average, half of them want to talk about super-profits without earning as much as their capital values.

3. **Aggarwal & Singla (2001):** She studied the development of a single indicator of financial performance using the method of multiple differential analysis (MDA), and selected 11 coefficients and used them as inputs. For analysis purposes, they selected only the ratios relevant to distinguishing between profitable and unprofitable units in the Indian paper industry. They concluded that the model correctly classified 82.14% of the selected units as profitable and unprofitable units. In their study, they cited inventory turnover, interest coverage ratio, net income, and earnings per share as the most important indicators of financial performance. In addition, it was suggested that the results of multiple differential analysis could be used as future profitability/disease predictors.

4. **Sur (2001):** In his paper on liquidity management, he investigated four companies in the Indian energy sector using data from 1987-1988 to 1996-1997. He applied accounting benchmarking techniques to liquidity management in the power generation and distribution industries. He showed that overall liquidity should be managed in a way that not only does not impede profitability, but also has a positive effect on improving profitability.

5. **Gaabalwe (2007):** He has done descriptive studies on “financial performance measurement of South Africa’s top companies: an exploratory investigation” he has made study on the base of empirical, he applied accounting tools like ratio and applied statistical tools like mean, standard deviation, and z test. For the purpose of analysis, he has facilitated the analysis and interpretation; the Scores of the sampled companies were expediently used to classify the companies into three categories like high, medium and low. Results also implied significant differences for the current ratio, liquidity ratio, return on capital employed ratio, debts-equity ratio, whereas insignificant differences for inventory ratio, debtor’s ratio, total assets turnover ratio, current assets turnover ratio, gross profit margin ratio, net profit ratio. For the practice of analysis and 41 interpretation he has included a critical look at the financial performance measures highlighted by the Top Companies in their accounting data.

6. **Jhala (2007):** He discussed in her Ph. D thesis about “An Analytical Study of Financial Performance of the Refinery Industry of India” and for the purpose of analysis, seven units have been taken for the period 1998-2003 for the analytical study of performance of the selected units. In this research, she has covered the financial aspects of these 7 units and has been analyzed by performance analysis. She had tried to get the most significant and viscous finance related data of the selected units and Z-score, ANOVA test, various ratio analysis, correlation matrix trend analysis, as well as multivariable analysis method have been used to analyse the data of the units. She has concluded from the liquidity test, it can be said that CPCL has an average liquidity position, it has a better liquidity position but however it was also below standard level. BPCL, IOC, MRP has a very poor liquidity position and seeing to working level efficiency, KRL has very good inventory turnover performance but it was poor in debtors’ turnover performance as well as BPCL was good to debtors’ turnover but not in inventory turnover efficiency. On the basis of analysis, she recommended that, company should to make efficient use of net fixed assets as well as current assets, try to maintain liquidity level, decrease the external funds, change the policy of credit and reduce the cost.

7. **Pai, Vadivel & Kamala (1995):** She have studied about the diversified companies and financial performance. Main purpose of the research was found out the relationship between diversified firms and their financial performance. For study purposes, they selected seven large companies and analyzed companies with different product portfolios (related and other) and operating in different industries. In this study, different indicators/performance ratios were used to determine levels of financial performance, and differences in results between companies were observed and statistically established. They showed that the diversified companies studied had superior financial performance.

8. **Toby (2007):** She conducted a study on “Modeling the Financial Management of Public SMEs in Nigeria”. He has concluded that the sustained growth, adequate liquidity and requisite profitability in the Small and Medium sized Enterprise sector is significantly related to their investment and financing decisions. The experiential results showed that there was not significant different between the current ratio and the gross profit margin ratio and found the working capital gap constant. He has also observed that the citation SMES current assets ratio, liquidity ratio, cash reserve requirement and loan deposits ratio was significantly perceptive to commercial Banks. Overall, he concluded over model results confirm that the Small and Medium sized Enterprise in Nigeria is still limited by the liquidity as well as profitability quandary, efficiency limitations.

9. **Srivastava (2007):** He studied "The role of organizational management and managerial effectiveness in improving productivity and production". He included in his research; Care is a universal phenomenon and is now required in almost all areas of life. He pointed out several problems such as lack of proper management of variable outcomes in the form of chaos, wasted time, wasted money, and lack of effort. Management is required in a wide range of activities, but is particularly important in relation to commercial enterprises in the public and private sectors. He proposed that the production efficiency of for-profit enterprises is highly dependent on the quality of management, and management efficiency is a major factor in shaping the growth and prosperity of enterprises that maintain the course of economic growth. He explained that management is not confined to factories or offices. Clubs, families, schools, sports, teams and social events such as weddings, picnics, etc. require skilled management.

10. **Ramudu and Rao (2007**): They discuss the management of receivables in the commercial vehicle industry in India. Main purpose of study was to examine the efficiency of receivables management of the Indian commercial vehicles industry. In this study, they have revealed that the industry as a whole had managed receivables efficiently, whereas a few individual companies had for less satisfactory scores in this respect. They concluded that the level of investment in receivables as a percentage of sales across the industry was reasonable less. They concluded after comparative analysis of selected companies, the Tata Motors, Bajaj Tempo, and Eicher Motors, had recorded sound performance in receivable management whereas Ashok Leyland and 42 Swaraj Mazda had recorded poor performance in the receivables management benchmarked against the industry average.

11. **Samuel & Vanniarajan (2007):** They discussed about financial performance of bank by applying Du-Pont analysis. They concluded that the liberalization of the finance sector in India has divulged Indian banks to a new economic environment that is considered by increased competition and new regulatory requirements. They also revealed that Indian and foreign banks need to explore development opportunities in India by initiating new products for different customer segment, and many of which were not conservatively viewed as customer for the banking industry. They suggested all banks should to evaluate their performance and compare with the others. In the last they depicted from the analysis the performance of the banks may be viewed on the base of three dimensions like structural, functioning and efficiency factors which was suggested by the India Bank Association.

12. **Singhania (2007):** He reviewed research on the dividend policy of Indian firms. In his analysis, he found that the percentage of 14 companies that declared dividends had declined over the years, while the average dividend per share had increased nearly eightfold. He found that if a company wants to declare a dividend, the dividend increases more and more over the years. He believed that the average dividend payout ratio fluctuated between 25% and 68% during 1992-2004. However, the average dividend yield showed a steady upward trend throughout the study period, rising from 0.75% in 1992 to 10% in 2004. Way. He proposed that a favorable tax on dividends would lead to higher dividends under tax preferential or compromise theory.

2.2 STATEMENT OF THE PROBLEM

- **Comparability between periods -** The Company preparing the financial statements may have changed the accounts in which it stores financial information, so that results may differ from period to period. For example, an expense may appear in the cost of goods sold in one period, and in administrative expenses in another period.

- **Comparability between branches** - An analyst frequently compares the financial ratios of different companies in order to see how they match up against each other. However, each company may aggregate financial information differently, so that the results of their ratios are not really comparable. This can lead an analyst to draw incorrect conclusions about the results of a company in comparison to its competitors.

- **Operational information -** Financial analysis only analyzes a company's financial information, not its operational information, so it cannot see many key indicators of future performance, such as changes in the backlog or assurance requirements. Therefore, financial analysis only represents part of the picture.

2.3 OBJECTIVES OF THE STUDY

To study the comparability between periods 2018- 2020.

To study the comparability between 2018-2020

To study the impact of operational efficiency in financial performance

2.4 RESEARCH METHODOLOGY

The **CAMEL** model is essentially a ratio-based model for evaluating the performance of retail companies and banks. It is a management tool that measures the capital adequacy, asset soundness, management efficiency, profit quality, and liquidity of financial institutions. The CAMEL model is essentially a ratio-based model for evaluating a bank's performance. It is a management tool that measures the capital adequacy, asset soundness, management efficiency, profit quality, and liquidity of financial institutions.

This study adopts an analytical study design.

- A detailed desk study was conducted on Decathlon India Private Limited and the industry.
- A fundamental analysis of the economic factors affecting Decathlon has been performed. Conducted industry and company analysis to understand the company's business model and financial performance.
- Ratio analysis compares a company's financial statements to provide insight into profitability, liquidity and operating efficiency.
- Projected revenue through June 2022 based on 2018-2021 data.

2.5 SCOPE OF THE STUDY

The scope of the study was limited to Decathlon, and the data were analyzed over three financial years and interpreted based on the information presented in the financial statements. Given the availability of time, information and learning sources are limited at Decathlon. The purpose of this study is to analyze the overall financial performance of the company using financial instruments.

Data Collections

Secondary data the secondary data was collected from various sources like official websites, broachers, Director’s report, Report of Annual General Meetings and published financial statements of Decathlon.

2.6 LIMITATIONS OF THE STUDY

- Studies limited to decathlon
- Studies limited to 3 years from 2018 to 2021.
- Data collected is limited to Decathlon reports only
- Non-disclosure of confidential Decathlon data.

2.7 RESEARCH DESIGN

Research is defined as the careful consideration of the study of a particular problem or problem using the scientific method. American sociologist Earl Robert Bobby said, “Research is systematic research that aims to describe, explain, predict, and control observed phenomena. These include inductive and deductive methods.

The **CAMEL** model is basically a ratio-based model for evaluating the performance of retail companies and banks. Financial institutions' capital adequacy, asset quality, operational efficiency, earnings quality, liquidity, etc. It is a management tool that measures

The components of CAMELS are:

Capital adequacy

Assets

Management capability

Earnings

Liquidity

Sensitivity

Capital Adequacy

- Capital adequacy assesses whether an institution complies with minimum reserve capital requirements. Regulators establish ratings by assessing a financial institution's capital position now and over many years. Future capital positions are projected based on the institution's plans for the future, such as paying dividends or acquiring other companies.

- CAMELS experts also analyze trends, capital structure and capital liquidity.

Assets

- This category evaluates a retail company's asset quality. High-risk assets can depreciate quickly, so asset quality is important. For example, a loan is a type of asset that may become worthless if lent to a high-risk person.

- Experts analyze credit risks, such as interest rate risk and liquidity risk, and banks' investment policies. The quality and trends of key assets are taken into account. A financial institution will receive a lower credit rating if credit risk tends to lower the value of its underlying assets.

Manageability

- Manageability measures the ability of an agency's management team to identify and respond to financial challenges. The categories depend on the quality of the company's business strategy, financial performance and internal controls.

- In the areas of business strategy and financial performance, CAMELS experts review the agency's plans for the future. This includes capital accumulation rate, growth rate and identification of key risks. In terms of internal controls, the exam tests an agency's ability to monitor and identify potential risks. Internal control areas include information systems, audit programs and record keeping.

- The information system guarantees the integrity of the computer system to protect customers' personal information. Audit programs ensure compliance with company policy. Finally, record keeping should follow clear accounting principles and include documentation that facilitates auditing.

Earnings

- Benefits help assess the long-term viability of an organ. Retailers need significant margins to expand their business and remain competitive. Our experts focus on earnings stability, return on assets (ROA) and net interest margin (NIM) as well as future earnings prospects in a challenging economic environment.

- When assessing income, primary income is the most important. The main income is the long-term, stable income of institutions affected by one-time items of expenditure.

Liquidity

- Liquidity is especially important for liquid banks. This is because a lack of liquidity can lead to a bank run. This category of CAMELS examines interest rate risk and liquidity risk.

- Interest rates affect the earnings of the company's capital markets division.

2.7.1 TYPE OF RESEARCH

ANALYTICAL RESEARCH

RESEARCH DESIGN

Research planning is a program that guides researchers in the process of analyzing and interpreting observations and provides researchers with structured plans of action. The design of this study is "to create conditions for data collection and analysis in a way that combines the relevance of the research purpose with the economics of the procedure".

CHAPTER III
ORGANISATIONAL STUDY

3.1 SUBJECT DEFINITIONS

What is Financial Performance?

Financial performance is a complete evaluation of a company's overall standing in categories such as assets, liabilities, equity, expenses, revenue, and overall profitability. It is measured through various business-related formulas that allow users to calculate exact details regarding a company's potential effectiveness.

Financial Performance

For internal users, financial performance is examined to determine their respective companies' well-being and standing among other benchmarks. For external users, financial performance is analyzed to dictate potential investment opportunities and to determine if a company is worth their while.

Before calculations can be made on certain financial indicators that establish overall performance, a financial statement analysis must occur.

What is Financial Statement Analysis?

Financial statement analysis is a process conducted on organizations by internal and external parties to gain a better understanding of how a company is performing. The process consists of analyzing four critical financial statements in a business.
How many types of financial analysis are there?

Financial analysis is divided into two categories: Fundamental analysis and technical analysis.

Fundamental Analysis:

The essential evaluation offers you the angle of a company's intrinsic cost via way of means of inspecting associated monetary and economic elements. Generally, analysts used this method to assess the fundamental elements that impact security's cost, both from macroeconomic elements like nation policies, environmental elements helping specific industries to microeconomic elements just like the company's management.

It is a way that offers you a higher conviction to pick out groups for long time funding and create wealth.

For example, if an inventory is buying and selling better than its truthful marketplace fee way the inventory is overrated with inside the contemporary marketplace then the promote advice is given through analysts.

Types of Fundamental analysis:

The various factors involved in fundamental analysis fall into two broad categories.

Qualitative Analysis

This includes the quality, vision, brand name, patents, protected information and technology of the company's executives. In general, it's not about sticking to that amount, but about the type of business and the standards of the organization.

Quantitative Analysis

Quantitative analysis of financial statements is used to better understand the financial performance of a company before making an investment decision. The three main financial statements used for quantitative analysis are the income statement, the balance sheet, and the cash flow statement.

Technical Analysis:

On the contrary, in technical evaluation analysts compare the funding possibilities via way of means of studying beyond statistical traits including quantity and price. Technical analysts anticipate that expenses of the inventory are much more likely to comply with the beyond fashion instead of circulate strangely. In the inventory marketplace the entirety is associated with marketplace psychology or marketplace feelings, technical analysts use beyond information charts to research those feelings and marketplace fluctuations to higher recognize traits associated with inventory. Technical analysts accept as true with the reality that records will repeat itself and we will higher recognize the possibilities to make investments if we recognize the beyond styles or traits.

However, essential evaluation and technical evaluation each had to make an powerful marketplace strategy.

Key elements of monetary analysis are:

- Balance Sheet
- Income statement
- Cash flow statement
- Annual Report

Balance Sheet

In financial statement analysis, an organization's balance sheet is looked at to determine the operational efficiency of a business.

Firstly, asset analysis is conducted and is primarily focused on more important assets such as cash and cash equivalents, inventory, and PP&E, which help predict future growth.

Next, long-term and short-term liabilities are examined in order to determine if there are any future liquidity problems or debt-repayment that the organization may not be able to cover.

Lastly, a company's owner's equity section is inspected, allowing the user to determine the share capital distributed inside and outside of the organization.

Income Statement

In financial statement analysis, a business's income statement is investigated to determine overall present and future profitability.

Examining a company's previous and current fiscal years income statement enables the user to determine if there is a trend in revenue and expenses, which in turn, shows the potential to increase future profitability.

Cash Flow Statement

A cash flow statement is critical in a financial statement analysis in order to identify where the money is generated and spent by the organization.

If one segment of the business is experiencing large outflows, in order to stay viable, the company must be generating inflows through financing or sales of assets.

Annual Report

The last statement, the annual report, provides qualitative information which is useful to further analyze a company's overall operational and financing activities. The annual report consists of all the statements listed above but adds additional insights and narratives on critical figures within the organization.

The additional insights and narratives within the annual report include an extensive narrative breakdown of the various business segments, benchmarks, and overall growth.

As a whole, financial performance analysis is critical whether it is conducted for internal or external use because it helps determine a business's potential future growth, structure, effectiveness, and most importantly, performance.
Measuring Financial Performance

Through a financial performance analysis, specific financial formulas and ratios are calculated, which, when compared to historical and industry metrics, provides insight into a company's financial condition and performance.

When calculating financial performance, there are seven critical ratios that are extensively used in the business world to assist and evaluate a company's overall performance.

Gross profit margin

$$\textbf{Gross profit margin} = \frac{\textbf{Revenue- COGS}}{\textbf{Revenue}}$$

The gross profit margin is a ratio that measures the remaining amount of revenue that is left after deducting the cost of sales.

The ratio is useful because it indicates as a percentage the portion of each sales dollar that can be applied to cover a company's operating expenses.

Quick ratio

$$\textbf{Quick ratio} = \frac{\textbf{Current assets- Inventory}}{\textbf{Current liabilities}}$$

The quick ratio provides a simple way of evaluating whether a company can cover its short-term liabilities very quickly. This is important for a business because creditors, suppliers, and trade partners expect to be paid on time. Because of its focus on assets that are immediately available to meet short-term obligations, the quick ratio is also known as the "acid test ratio."

The formula for calculating the quick ratio is quick assets/current liabilities.

Cash ratio

$$\textbf{Cash ratio} = \frac{\textbf{Cash + Marketable Securities}}{\textbf{Current liabilities}}$$

The cash ratio is most commonly used to measure a company's liquidity. If a company needs to repay all its current liabilities immediately, this indicator shows the company's ability to do so without selling or liquidating other assets. Money percentages are expressed as numbers greater or less than one.

Debt ratio

$$\text{Debt ratio} = \frac{\text{Total Debts}}{\text{Total Assets}}$$

The debt ratio is a financial ratio that measures the degree of leverage of a company. The debt ratio is defined as the ratio of total liabilities to total assets and expressed as a decimal number or percentage. It can be interpreted as the percentage of a company's assets financed by debt.

A ratio greater than 1 means that a significant portion of the company's liabilities are covered by assets, and the company has more liabilities than assets. A high ratio indicates that the company may be at risk of defaulting on its loan if interest rates suddenly rise. A ratio of less than 1t means that most of the company's assets are financed by equity capital.

Debt Equity Ratio

$$\text{Debt Equity Ratio} = \frac{\text{Total liabilities}}{\text{Total shareholders' equity}}$$

Debt ratio shows the ratio between equity capital and debt that a company uses to finance its assets, and indicates how much equity capital can meet its obligations to creditors if the business declines.

Equity Ratio

$$\text{Equity ratio} = \frac{\text{Total equity}}{\text{Total assets}}$$

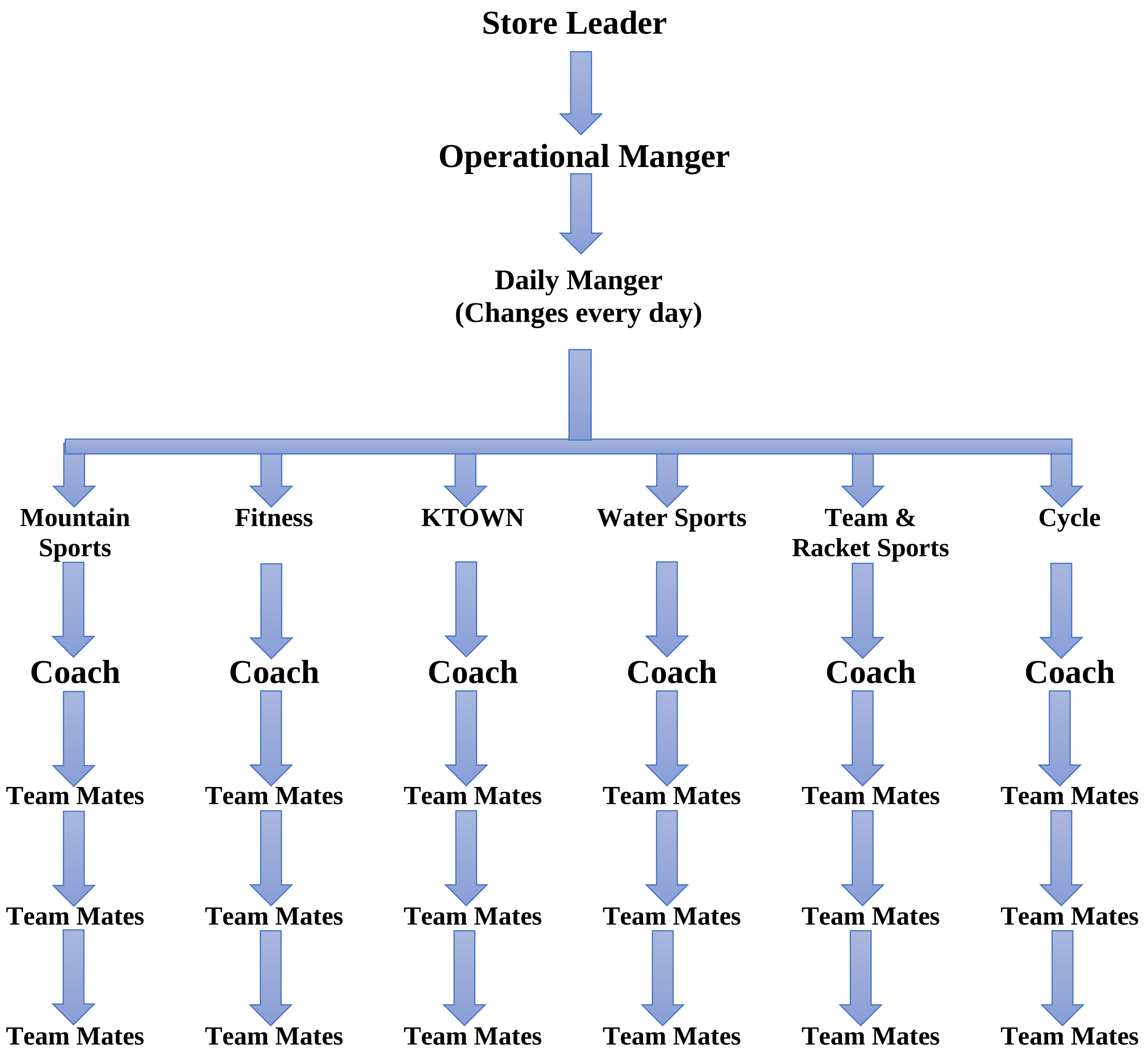
Equity ratio measures the amount of leverage a company uses. This is done by comparing the total investment in an asset to the total amount of equity. A high score means that management has minimized the use of borrowed money to finance asset requirements, which is a conservative way of managing the business. Conversely, a low ratio indicates that you have used a large amount of debt to pay off your assets.

Liquidity Ratio

$$\text{Liquidity Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

The liquidity ratio is a financial ratio that indicates whether a company's current assets are sufficient to meet its obligations. The value of a company's working capital is also provided as a liquidity indicator.

3.2 ORGANISATIONAL STRUCTURE ON DECATHLON



3.3 INDUSTRY PROFILE

In recent times in India, the sporting industry has seen a drastic shift in terms of being a one sports nation to a multi-sport viewing nation. The upsurge in participation and engagement has led brands to ply their trade in several parts of the country and grow their business in sheer rapidity. India is the 7th largest economy in the world. Sports as a business is going through a massive cycle of change, which is headed towards a positive path. The nascent industry which is blooming at a steady rate has led to a great amount of growth in terms of education, health accompanied by fitness and most importantly, employment.

Among the various activities happening around a sport, the business of sports also segments into different branches. Out of which, one of the most prevalent sectors is Sports Merchandising. It is intriguing to know that in a recent survey conducted by the Global Licensing Industry Survey, the Indian sports licensing market for Licensed Retail sales was valued at a whopping $18 million USD in 2016. Now in India, due to the robust demand, the total consumption expenditure in merchandising is expected to grow by leaps and bounds and reach a hallmark of $3600 Billion USD by 2020 from $1824 Billion USD in 2017. Surprisingly, the figures account for around 8% of employment generation in India. Also, India is the world's fifth-largest global destination in retail space.

Decathlon is a company that designs, manufactures and sells technical products for sports enthusiasts. It offers fitness, dance, gymnastics, and combat sports product, bicycles and related equipment, accessories, products and services for road, nature, and track running. The company also provides apparel and watches, waterproof LTE Android phones, products for nautical and water sports. In addition, Decathlon offers sports nutrition and health products, electronics for sports, and sports-adapted optical products. Among the various competitors in the sports retail market, Decathlon, a French-based company, who thoroughly dominate the market worldwide, has seen a steady growth in India.

Decathlon first established their franchise back in 2009 in Bangalore. It was the first entity to incorporate a big-format niche retail chain in India. They soon expanded their stores in Mumbai, Hyderabad, and Chandigarh which had a great response. It took Decathlon no time to break even in India. Recently, Decathlon has plan to invest a roaring 700 Crores INR to expand its business in India. Decathlon Sports India CEO, Steve Dykes said in an interview, "India is a priority country. We dream to open 100 stores in India in five years." Also, the company sees India as a key market to expand their business as they termed India to be their top global market in terms of stores. Generally, Decathlon stores are huge- sprawling over at least 4000 square feet. In comparison, the other sports goods shops are tiny in size. Not only has Decathlon opened career opportunities for the sports enthusiasts in the country, but it has also helped to shape a sporting ecosystem in the country. Decathlon as an organization emphasizes product quality and they have 20 brands which cover 70 sports.

VALUES

Decathlon has a dedicated team for Research and Development of sporting equipment and goods. With a dedicated product development and design team, they undergo various models of tests and develop the latest innovative designs, registering up to 40 patents per year. Each brand represents a different sport or group of sports. Decathlon's main mission is to make sport accessible to every person in the world as they believe, the sport has the power tochange the globe. As a company, they anticipate to help, inspire and guide through varied sporting experiences.

HISTORY

The decathlon was started back in 1976 in the beautiful city of Lille, France by Michel Leclercq. They eventually started expanding overseas after a decade by opening their franchises in Germany, Spain, Portugal, Italy, UK, China, India and other nations. Astonishingly, they have 1500+ stores in 49 countries currently. The company employs more than 87000 staffs from 80 different nationalities. They own 20 brands under their belt which offers products in all variety of sports. Furthermore, Decathlon is the largest sports goods retailer in the world.

The decathlon developed from the ancient pentathlon competitions held at the ancient Greek Olympics. Pentathlons involved five disciplines – long jump, discus throw, javelin throw, sprint and a wrestling match. Introduced in Olympia during 708 BC, this competition was extremely popular for many centuries.

A ten-event competition known as the "all-around" or "all-round" championship, similar to the modern decathlon, was first contested at the United States amateur championships in 1884 and reached a consistent form by 1890. While an all-around event was held at the 1904 Summer Olympics, whether it was an official Olympic event has been disputed.

Decathlon started with a store in Lille, France in 1976, founded by Michel Leclercq. It started to expand abroad a decade later, to Germany in 1986, Spain in 1992, Italy in1998, Portugal, the United Kingdom in 1999, China in 2003, India in 2009 and Southeast Asia in 2012. Today, there are more than 1000 stores in 26 countries. The company employs more than 60,000 staff from 80 different nationalities. The retailer stocks a wide range of sportinggoods, from tennis rackets to advanced scuba diving equipment, usually in large superstores, which are sized at an average of 4,000m². Decathlon Group also owns 20 brands, with research and development facilities all over France to develop the latest innovative designs, Registering up to 40patents per year. Each brand represents a different sport or group of sports, with a dedicated product development and design team.

At Decathlon, 70,000 of them live their common Purpose on a daily basis: “to make the pleasure and benefits of sport accessible to many”.
The decathlon is a combined event in athletics consisting of ten track and field events. The word "decathlon" was formed, in analogy to the word "pentathlon", from Greek. Events are held over two consecutive days and the winners are determined by the combined performance in all. Performance is judged on a points system in each event, not by the position achieved. The decathlon is contested mainly by male athletes, while female athletes typically compete in the heptathlon.

Traditionally, the title of "World's Greatest Athlete" has been given to the person who wins the decathlon. This began when Gustav V of Sweden told Jim Thorpe, "Sir, you are the world's greatest athlete" after Thorpe won the decathlon at the Stockholm Olympics in 1912.
The event is similar to the pentathlon held at the ancient Greek Olympics, and also similar to a competition called an "all-around", which was contested at the United States amateur championships in 1884. Another all-around was held at the 1904 Summer Olympics. The modern decathlon first appeared at the 1912 Games.

The current official decathlon world record holder is Frenchman Kevin Mayer, who scored a total of 9,126 points at the 2018 Disaster in France.

Core Competencies

Marketing Strategy of Decathlon analyses the brand with the marketing mix framework which covers the 4Ps (Product, Price, Place, and Promotion). There are several marketing strategies like product innovation, pricing approach, promotion planning etc. These business strategies, based on Decathlon marketing mix, help the brand succeed.

Decathlon marketing strategy helps the brand/company to position itself competitively in the market and achieve its business goals & objectives.

Decathlon is one of the leading sports apparel and accessories brands in the world. Its marketing mix product portfolio includes sports equipment’s, accessories, clothing, footwear and much more. There is a wide collection of products for all the sports including football, baseball, basketball, cricket, badminton, etc. Decathlon also has all the items for less popular sports like archery, billiard, darts, field hockey, roller skates, volleyball and even scuba diving. Not just men, there is a separate and diverse section for women and kids as well. The variety and abundance of products is such that sometimes there is a problem of plenty. Decathlon also offers products from its own brands like Artengo, Domyos, Kalenji, NewFeel, Inesis, Oxelo and many more.

Decathlon brand aims to encourage sports all over the world. So, it makes sure every sporting gear is available at affordable prices. It has consistently maintained its low prices by not compromising with quality. This is because of the optimization of internal processes in design and logistics. Cost leadership. Along with decent quality is the core competency of this brand. Decathlon keeps its prices around 20 percent lower than its competitors.

Decathlon has over 800 stores worldwide, which speaks volumes of the immensely distributed network it has. In Spain itself, it has over 100 stores and logistics centres. The local centres are situated in Getafe, Sevilla, Martoller, Pamplona and Villfranca. These local centres supply to all the Spanish stores. However, the stock in these centres in low as they arenot warehouses. It has three outlets in Singapore- Joo Koon, Chai Chee Road and City SquareMall. Decathlon plans to open the biggest outlet in Singapore in Kallang in 2019. For online purchases, these centres are responsible for carrying out transportation and delivery. Due toits efficient logistics and distribution, it has been able to maintain its 72-hour delivery time target.

MISSION

Decathlon's main mission is to make sport accessible to as many people as they can. They would like to help, inspire and guide people through their sports experiences. The company believes that being active and discovering new sports every day is an important part of a healthy lifestyle. Another key component of Decathlon's mission is "placing innovation at theheart of its activities". And indeed, unlike its main competitors, Decathlon have developed itsown R&D department and manufactures its strong sub-brands itself. This has allowed Decathlon to become a leader in innovative sport equipment, with its new goods rewarded with design prizes.

VISION

In Decathlon, they have a vision to make sports more accessible to all. They work hard to allow sports users to discover their products at the best price and quality mix possible. The company create a unique sporting experience at their stores with their playground so that users can try before they buy.

The company's vision is to make the pleasure and benefits of sport accessible to all". Decathlon wants to change the world into a place where everybody has access to sport. Decathlon's way to achieve this democratization of sport is by offering products both at low price and a good quality, or, in the company's own words. "To develop technical, good- looking, and simple products, always at the lowest possible prices". And indeed, Decathlon brand is renowned for the value for money of its products.

The objectives of Decathlon are:

- To increase customer awareness of the brand
- Improve the company's market position by increasing its projection and thus making customers relations in Decathlon sport.

WHAT THEY DO?

Decathlon sells a wide variety of sports products for almost all sports and has a rich product line-up for various type of equipment. They have categorized their products into 2 categories:

Blue: Products of starting range which are cheaper and are focused on catering amateur athletes.

Professional: Comparatively higher end products to cater the professional players. About 70% of the Decathlon products in India are imported. Some products are exclusively delivered from certain countries only to maintain a strict quality.

WHO ARE THE CUSTOMERS?

Today the purchasing power of Indian population is increasing gradually and it is the middle - Class section of the society which shows maximum characteristics and effects of such a growth. We have seen the boom of private taxi services, affordable hotel services and even apparel brands who carefully price their products in order to attract the new economically growing class. The major societal section they cater to are the amateur athletes or sports lovers who either do not wish to or cannot afford to purchase high end sports products and equipment. This has created a unique niche market of sports enthusiasts between the cheap and expensive equipment.

WORKSPACE SETUP

The decathlon warehouse had an open workspace wherein people sit in a hall working on the same table. This kind of setup has following benefits: Continuous and easy interactionbetween employees helps develop a better inter-personal skill. This lack of immediate physical boundary enables the employees to exchange their ideas.

Since there are no boundaries among the workspaces it also saves a huge cost of Material and cut down the movement time. It also saves the cost of electricity as the area which needs cooling or lighting is undivided and compact. They hold an internal competition for each working bays where the group of employees compete with each other on grounds of efficiency and cleanliness on their respective bays.

PRODUCTS AND BRANDS

PASSION BRANDS: 100% PASSION

Since 1996, Decathlon’s Passion brands have been combining pleasure and passion in order to propose accessible, innovative and high-performance products for all, at the best possible price/quality ratio.

Fruit of our laboratory research, Passion brand products are tested and validated in real- life conditions during mission tests and by our technical partners. These tests ensure our products are reliable, safe and adapted to each specific usage

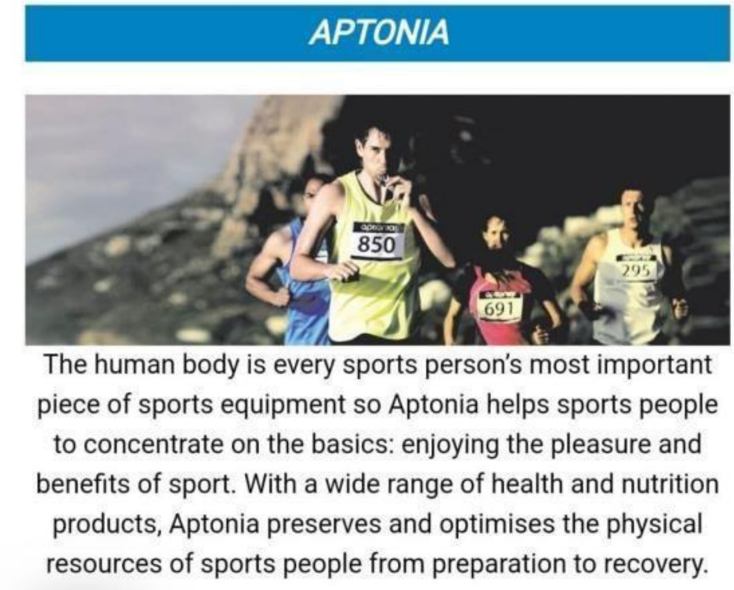
Passion brand products are sold in all the Decathlon Stores.

aptonia	ARTENGO	B'TWIN	Caperlan
DOMYOS	Fouganza	GEONAUTE	GEOLOGIC
INESIS	Kalenji	KIPSTA	nabaiji
newfeel	ORAO	oxelo	Quechua
simond	SOLOGNAC	TRIBORD	Wed'ze

The above table represents the different brands that are sold at Decathlon store. Each brand represents a particular sport or adventure, where all the necessary products would be available in each brand.

The following brands and the respective sports are as follows:

APTONIA



ARTENGO

B’TWIN

B'TWIN

b'Twin is the world leader in the cycling market with more than 2.7 million bikes sold internationally. Designing best value for money bikes, accessories, equipment and spare parts is the brand’s obsession. Innovation and design are at the heart of the brand’s project making cycling an easier and more attractive option. www.btwin.com

DOMYOS

DOMYOS

Domyos innovates in order to make people want to take part in fitness, dance, gymnastics and combat sports activities. 150 team members create high-quality products and services, at the lowest possible prices, making the pleasure and benefits of all these sports accessible to all.

WED’ZE

WED’ZE

‘Slide, skid, jump’ is the meaning of the word ‘Wed’ze’ in the Savoyard dialect - a colourful expression that translates a simple, spontaneous state of mind that’s full of energy. From downhill skiing to freeride, covering everything including freestyle, the Wed’ze philosophy is to go out with no hang-ups and discover a full range of rich and varied snow sport sensations, whatever your ability.

FOUGANZA

FOUGANZA

At Fouganza, we do everything we can to create attractive, smart and safe best-value-for-money products that will ensure perfect horse and rider harmony. Horse riding is a sport that must remain simple and fun. That’s why we work incessantly to offer ingenious equipment that corresponds to the needs of all horse riders. www.fouganza.com

QUECHUA

QUECHUA

Founded in 1997, Quechua is Decathlon's hiking sports brand. Installed at the foot of Mont-Blanc, the Quechua international design centre is a real laboratory in which our teams come up with products for hiking, mountain trail, camping, Nordic skiing and snow shoe hiking.

SIMOND

SIMOND

Chamonix - Since 1860. The Simond factory sits at the foot of Mont Blanc, with an outstanding view of l' Aiguille Verte, les Drus and les Aiguilles de Chamonix. Since 1860, our proximity to this unique mountain sports theatre combined with our unique expertise has enabled us to dream up ever more innovative products that climbers have been relying on for 150 years. www.simond.com

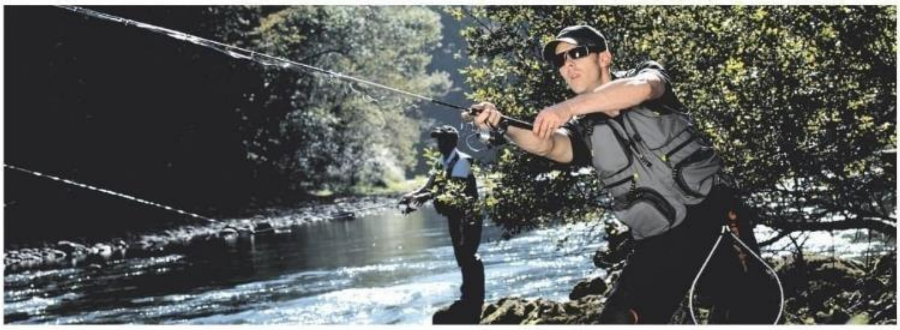
SOLOGNAC

SOLOGNAC

Solognac designs products with a strong ambition in mind: 'to connect Mankind with Wild Nature'. This Wild Nature can only be found off the beaten track. Whether your ultimate aim is to hunt, observe or photograph wild game, your need to protect yourself from the elements remains essential. For this reason, Solognac's DNA is quite straight forward: durability. www.solognac.com

CAPERLAN

CAPERLAN



For our team, fishing is much more than a sport or leisure activity. For every one of us it's a passion that we want to share. Every day, we strive to make the pleasure of fishing accessible to all by designing simple, efficient and clever products. www.caperlan.com

GEOLOGIC

GEOLOGIC

The Geologic team's intention is to get as many people as possible to discover the pleasure of target sports. Darts, archery and boules can provide hours of satisfaction and fun. www.geologic.org

INESIS

INESIS

'Liberate your swing'. Whatever your ability, Inesis will help you improve through the advice the brand gives you, its products and its services. Every day, our design team relies on user feedback in order to invent a simpler and more spontaneous way to play golf - A golf that lets you express your desires and emotions. A liberated approach to golf!

NEWFEEL

NEWFEEL

Working with our R&D engineers and testers on a daily basis, Newfeel designs a technical range that guarantees the most suitable level of comfort for walkers of all ages. Newfeel shoes guide the feet throughout the stride every step of the way. Newfeel luggage makes walking smoother for walkers on the go. www.newfeel.com

OXELO

OXELO

Rolling, sliding, skating, riding, jumping: there are many verbs to describe the activities covered by Oxelo. But from roller-skating to skateboarding, including ice skates and scooters, the common denominator is gliding. So whether you're looking to keep fit, get around town, do some sport or compete, Oxelo products will meet all your expectations, in total safety. www.oxelo.com

KIPSTA

KIPSTA

Every day, Kipsta looks to invent, develop and make accessible team sports all over the world, by building aspiration through products that are more and more technical, more and more attractive and more and more affordable for everyone – price will never be an obstacle to their purchase www.kipsta.com

TRIBOARD

TRIBORD

'Designed by water'. Water is Man's initial element. Contact with the water awakens the senses and enables you to recharge. We design our products with this view of osmosis with the elements in mind, bringing every one of our users maximum enjoyment and benefits during nautical and water sports. www.tribord.com

NABAIJI

GLOBAL PARTNERSHIP

RESPONSIBILITY IN PRODUCTION AND DUTY OF CARE
PRODUCTS SAFETY AND QUALITY
DUTY OF CARE
GREEN IT

ENVIRONMENT MANAGEMENT
ECO DESIGN
INSTITUTIONAL RELATIONS

COMPETITORS

STAKEHOLDERS:

- LINDITA XHAREEFI-SALIHI
  Sector engagement lead,
  UN CLIMATE CHANGE, GLOBAL CLIMATE ACTION

- MIKE PEIRCE
- Corporate partnership Director, THE CLIMATE GROUP

- ALEXANDER FARSAN
  Global lead for science-based targets at WWF,
  ONE OF THE SCIENCE BASED TARGETS
  INITATIVEPARTNERSISSABELLE GUYADER
  In charge of sustainable development at decathlon.

- JANTINE WERDMULLER VON ELGG
  Managing Director stronger together.

- HANNAH NEWCOMB,
  Managing Director responsible recruitment toolkit.

- GERALDINE FORT,
  Managing Director of the ORSE

3.4 SWOT ANALYSIS

INTRODUCTION

SWOC (strengths, weaknesses, opportunities, and challenges) analysis is a framework used to evaluate a company's competitive position and to develop strategic planning. It assesses internal and external factors, as well as current and future potential. SWOC analysis is a framework for identifying and analyzing an organization's strengths, weaknesses, opportunities and challenges -- which is what makes up the SWOC acronym. The primary goal of SWOC analysis is to aid organizations in increasing awareness of the factors in making a business decision. SWOC Analysis means understanding the problem in detail and in the context in which it exists so that opportunities for not just solving the problem but perhaps for longer term benefits may be recognized and taken advantage of. This means not only assessing possible threats, but also accepting surprises and knowing that you may have to deal with them.

Strength

- Stores worldwide, 800 stores worldwide.
- The group is the largest sports goods retailer in the domestic market.
- A wide range of sporting goods at affordable prices for all categories of consumers.
- Increase brand awareness by owning a trademark. Strong and innovative marketing over the years ensures a strong brand retention in the minds of customers.

Weakness

- Limited global footprint compared to leading global players
- E-retail is growing in importance, but the company's presence in the same market is still limited**.**

Opportunity

- Build a brand by establishing connections with new clubs/teams/players.
- The company has the ability of technological innovation.

Threat

- High inflation makes it impossible to gain a price advantage in terms of competition.
- Fierce competition from domestic and foreign companies **-** Threats from other brands that offer.

CHAPTER –IV
DATA ANALYSIS AND INTERPRETATION

4.1 RATIO ANALYSIS

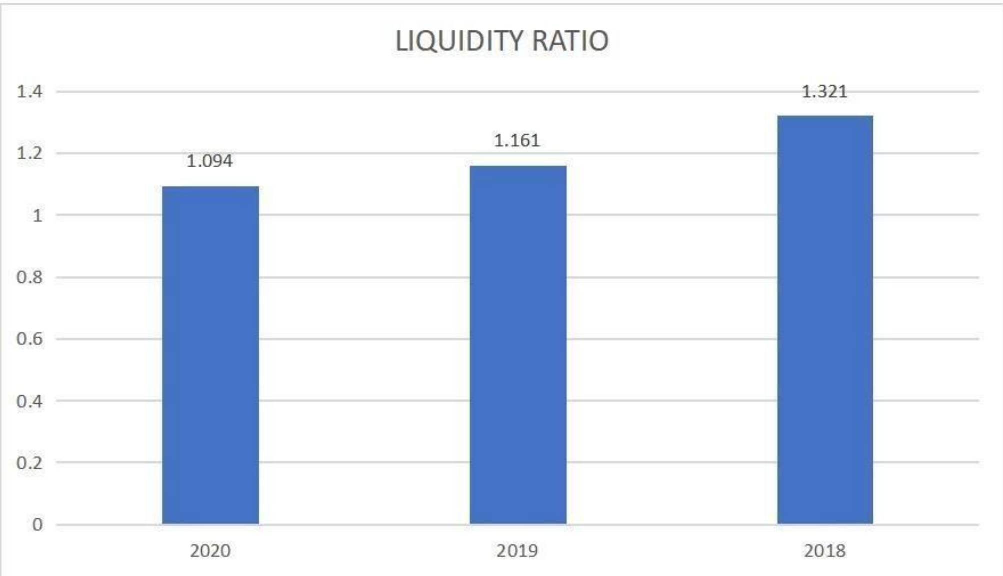
LIQUIDITY RATIO

CURRENT ASSET/CURRENT LIABILITIES CALCULATION OF LIQUIDITY RATIO (Rs.in Lakhs)

YEAR	CURRENT ASSET	CURRENT LIABILITES	RATIO
2020	63525.61	58058	1.094
2019	62241.61	53598	1.161
2018	48396.59	36629.56	1.321

Table 4.1 Liquidity Ratio (2018 to 2020)

The above table represents the comparison of Liquidity Ratio for the three financial years 2018 to 2020.



Graph 4.1 Liquidity Ratio

Interpretation:

The Liquidity ratio is used to test short term solvency or liquid position of the company. It indicates whether the company has adequate working capital to carry out routine business activities. The Liquidity Ratio of Decathlon is higher than 1 for all the financial years, whereas there is a fall from 2018 to 2020.

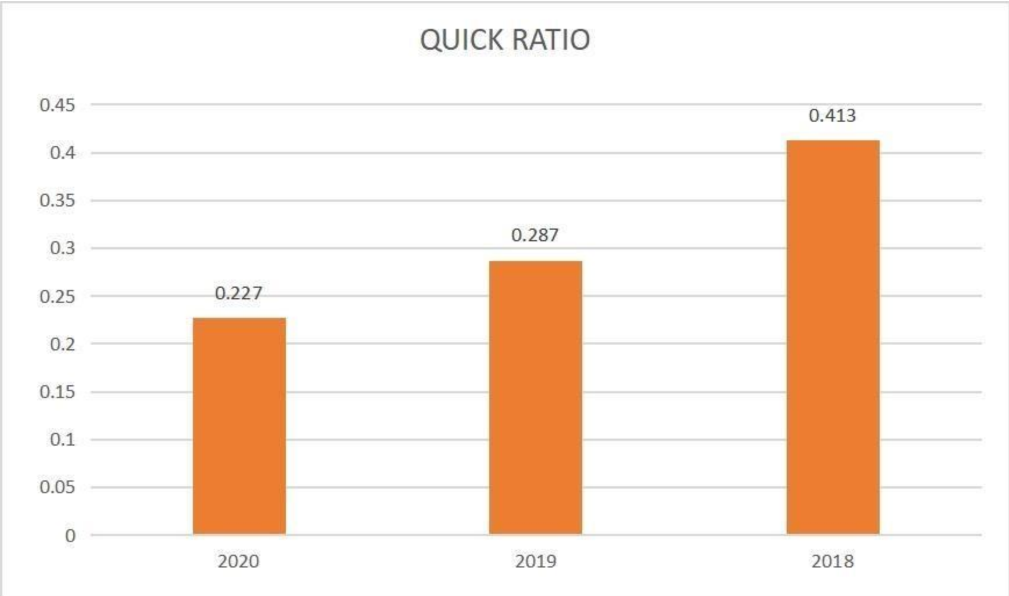
QUICK RATIO

CURRENT ASSET - INVENTORIES/ CURRENT LIABILITEIS CALCULATION OF ACID TEST RATIO (Rs.in Lakhs)

YEAR	CURRENT ASSET	INVENTORIES	CURRET LIABILITIES	RATIO
2020	63525.61	50312	58058	0.227
2019	62241.61	46831	53598	0.287
2018	48396.59	33251.77	36629.56	0.413

Table 4.2 Quick Ratio (2018 to 2020)

The above table represents the comparison of Quick Ratio for the three financial years 2018 to 2020.



Graph 4.2 Quick Ratio

Interpretation:

Usually, the high acid test ratio is an indication that the company is liquid and has the ability to meet current or liquid liabilities in time, whereas the low quick ratio of Decathlon represents that the firm's liquidity position is not good. Therefore, the company is not healthyin the three financial years 2018 to 2020.

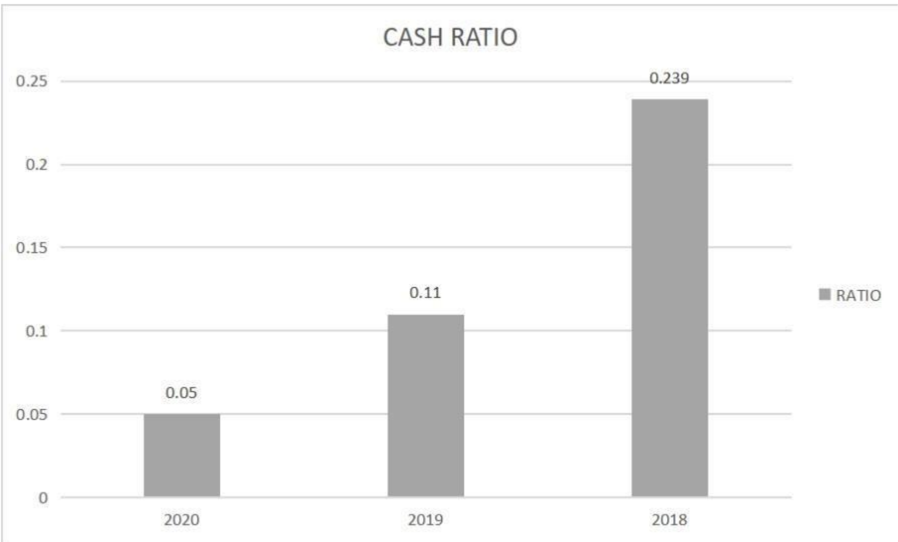
CASH RATIO

CASH AND CASH EQUIVALENTS/ CURRENT LIABILITIES CALCULATION OF CASH RATIO (Rs.in Lakhs)

YEAR	CASH AND CASH EQUIVALENTS	CURRENT LIABILITIES	RATIO
2020	2936	58058	0.050
2019	5925	53598	0.110
2018	8763.87	36629.56	0.239

Table 4.3 Cash Ratio (2018 to 2020)

The above table represents the comparison of Cash Ratio for the three financial years 2018 to 2020.



Graph 4.3 Cash Ratio

Interpretation:

Cash Ratio measures the ability of the company to pay back its short-term debts with cash And cash equivalent. A Cash ratio of 0.2 is considered to be the ideal cash ratio. Slight fluctuation of the cash ratio may not be such a bad thing either and it's not uncommon for the firm to use it when profitability opportunity arises. The cash ratio of Decathlon has reduced over 2018 to 2020, therefore the ability to pay back has reduced.

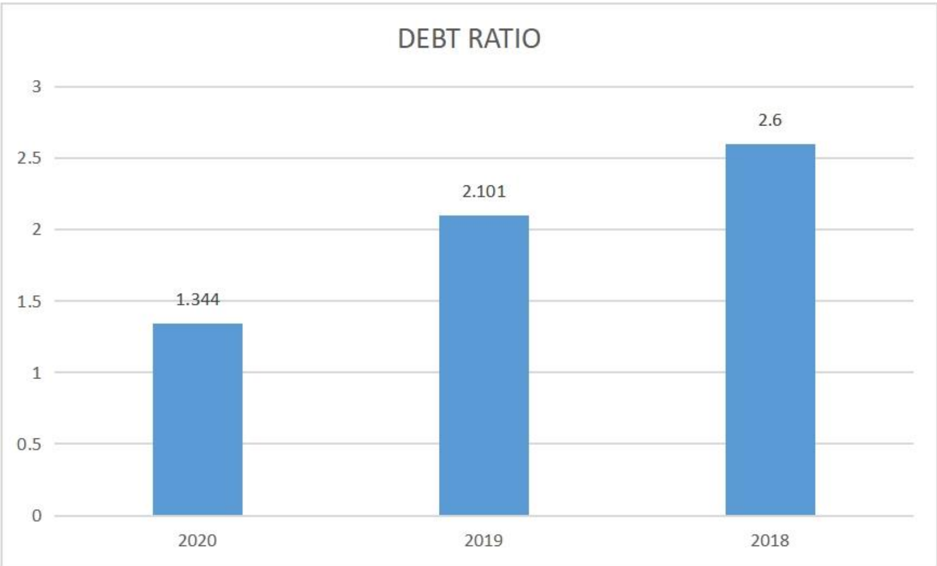
DEBT RATIO

TOTAL LIBALITIES/ TOTAL ASSET CALCULATION OF DEBT RATIO (Rs.in Lakhs)

YEAR	TOTAL ASSET	TOTAL LIABILITIES	RATIO
2020	215206.61	160031	1.344
2019	119800.61	57017	2.101
2018	100241.72	38548.25	2.60

Table 4.4 Debt Ratio (2018 to 2020)

The above table represents the comparison of Debt Ratio for the three financial years 2018 to 2020.



Graph 4.4 Debt-to-Equity Ratio

Interpretation:

The Debt Ratio much higher then 0.6, makes it difficult to borrow money. In general, many investors look for a company to have a ratio of 0.2 to 0.6. From a risk perspective ratio lower than .04 or lower is considered better. Whereas the Debt ratio of Decathlon is risky but it has gradually decreased form the year 2018 to 2020.

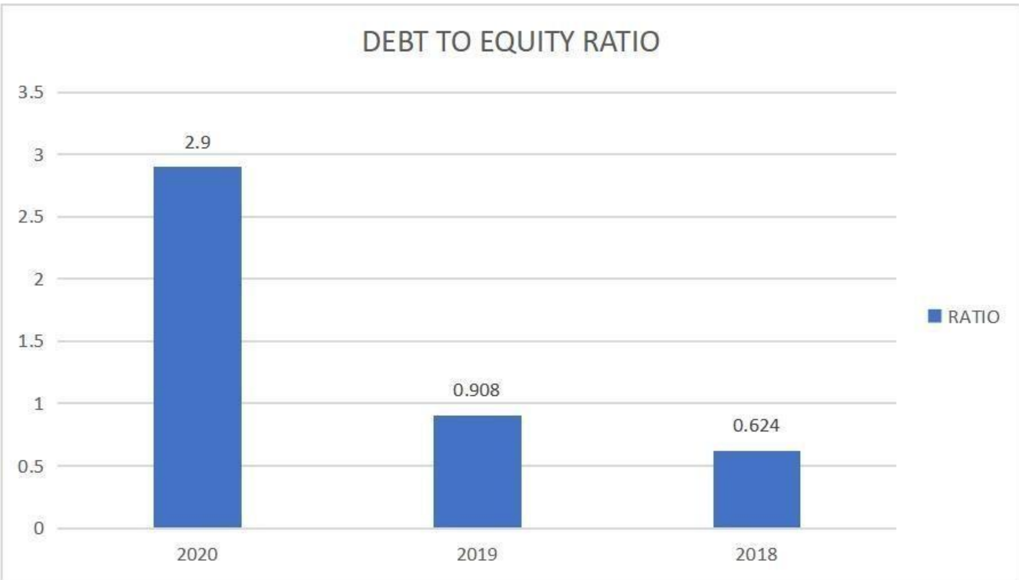
DEBT TO EQUITY RATIO

TOTAL LIABILITY/ SHAREHOLDERS EQUITY CALCULATION OF DEBT-TO-EQUITY RATIO (Rs.in Lakhs)

YEAR	TOTAL LIABLITY	SHAREHOLDERS EQUITY	RATIO
2020	160031	55175.61	2.900
2019	57017	62783.61	0.908
2018	38548.25	61693.47	0.624

Table 4.5 Debt-to-Equity Ratio (2018 to 2020)

The above table represents the comparison of Debt-to-Equity Ratio for the three financial years 2018 to 2020.



Graph 4.5 Debt-to-Equity Ratio

Interpretation:

Debt to Equity Ratio is used to calculate a company's financial leverage. A good Debt to Equity Ratio is anything lower the 1.0. A Ratio higher than 2.0 or higher is usually considered risk. If a debt-to-equity ratio is negative it means that the company has more liabilities than assets, the company would be considered extremely risky. Whereas, Decathlon debt to equity is positive but there is an increase over the year 2018 to 2020.

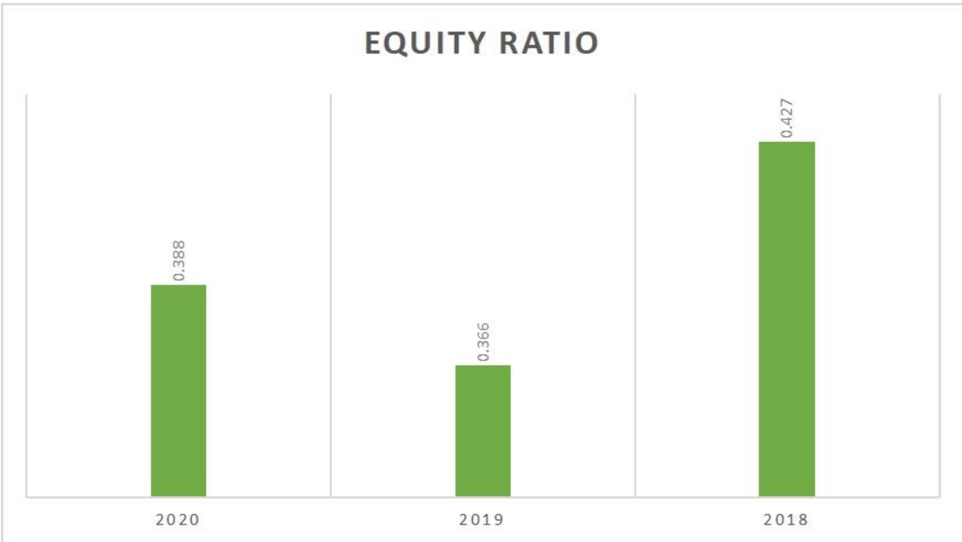
EQUITY RATIO

TOTAL EQUITY / TOTAL ASSET CALCULATION OF EQUITY RATIO (Rs.in Lakhs)

YEAR	TOTAL EQUITY	TOTAL ASSET	RATIO
2020	83549	215206.61	0.388
2019	43896.61	119800.61	0.366
2018	42806.86	100241.72	0.427

Table 4.6 Equity Ratio (2018 to 2020)

The above table represents the comparison of Equity Ratio for the three financial years 2018 to 2020.



Graph 4.6 Equity Ratio

Interpretation:

Equity Ratio is a financial ratio indicating the relative proportion of equity used to finance a company's assets. Decathlon is close to 0.5 or 50% which indicates that there is more outright owner in the business. Whereas Decathlon's equity ratio has decreased over the year 2018 to 2020.

GROSS PROFIT RATIO

Equity Ratio is a financial ratio indicating the relative proportion of equity used to finance a company's assets. Decathlon is close to 0.5 or 50% which indicates that there is more outright owner in the business. Whereas Decathlon's equity ratio has decreased over the year 2018 to 2020.

GROSS PROFIT RATIO

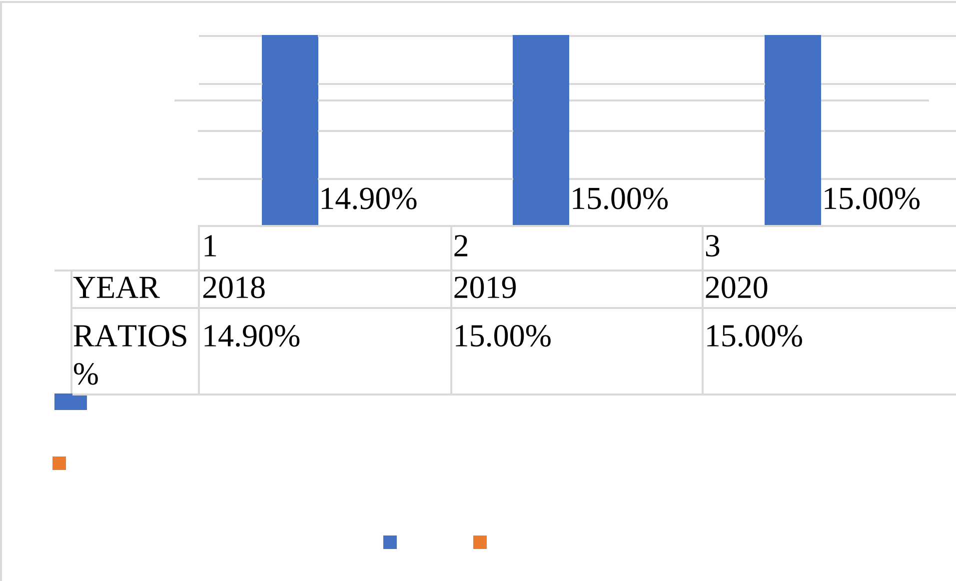
GROSS PROFIT / NET SALES (Rs.in Lakhs)

CALCULATION OF GROSS MARGIN RATIO

YEAR	GROSS PROFIT	NET SALES	RATIOS %
2018	639565.16	4294239.75	14.9%
2019	1030847	6870784	15.0%
2020	1391765	9275558	15.0%

Table 4.7 Gross Profit Ratio (2018 to 2020)

The above table represents the comparison of Gross Profit Ratio for the three financial years 2018 to 2020.



Graph 4.7 Gross Profit Ratio

Interpretation:

Gross Profit Ratio is a financial ratio that measures the performance and efficiency of the business. It gives the management a clear idea of how much capital they can reinvest. A good Gross Profit Margin will vary by industry and size of the business, but generally a 10% net profit is considered average, a 20% margin is considered high or good. Whereas Decathlon has been performing above average from 2018 to 2020 which implies that decathlon has been performing better than average.

4.2 FINANCIAL ANALYSIS OF SPORTS EQUIPMENT COMPANY

The operation of a life insurance business is a very unique and dynamic process in which the operating cycle is reversed and payment is received prior to the provision of a service. The received payment is referred to as gross premium, and it is the primary source of income for life insurance companies. Companies use the gross premium to pay commissions and business operating expenses, make future provisions, and invest in accordance with IRDA guidelines. In the event of a fatality, companies pay benefits to policyholders in the form of claims. It implies that understanding and analyzing operating efficiency is critical for better financial management practices. However, before measuring operating efficiency, it is critical to investigate various factors or parameters related to a life insurance company's business operation.

Number of policies in force (issued), new business premiums (including one-time premiums), repeat premiums, commissions paid, operating expenses, benefits paid (net), investment return and retained earnings (Rajput & Upadhyay, 2015).

4.2.1 Premium Income

The primary source of income for life insurance companies is premium income, from which expenses are incurred, benefits are paid, and investments are made.
The premium income is split into two parts.

1. New Business Bonus (Including Single Premium)
2. Premium for Renewal.

Renewal Premium growth from 2014-15 to 2019-20

Table4.1 Growth in New Business Premium

Years	HDFC	MAX	ICICI	KOTAK	BIRLA
2014-15	5,492.10	2,572.60	5,332.13	1,540.18	1,937.94
2015-16	6,487.22	2,881.71	6,765.75	2,209.66	2,220.31
2016-17	8,696.36	3,666.35	7,863.30	2,849.74	2,534.26
2017-18	11,349.61	4,348.59	9,211.75	3,404.21	2,662.80
2018-19	14,971.45	5,160.41	10,364.36	3,977.11	3,917.07
2019-20	17,238.45	5,583.48	12,487.52	5,105.77	3,657.22

Table 4.2 the percentage growth over the previous year.

Years	HDFC	MAX	ICICI	KOTAK	BIRLA
2014-15	35.98	13.75	41.83	21.10	14.17
2015-16	18.12	12.02	26.89	43.47	14.57
2016-17	34.05	27.23	16.22	28.97	14.14
2017-18	30.50	18.60	17.14	19.45	5.07
2018-19	31.91	18.66	12.51	16.82	47.10
2019-20	15.14	8.19	20.48	28.37	-6.63

ANOVA

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	307000000	4	76676108	11.82481	0.0000158	2.75871
Within Groups	162000000	25	6484339			
Total	469000000	29				

INTERPRETATION

The above table shows the F calculated value and the F critical value. The F calculates value is less than the F critical value i.e., F < F crit (at 5% Significance level).

Therefore, the Null hypothesis H0 is accepted and alternate hypothesis H1 is rejected. There is no significant difference between the financial data of HDFC, MAX, ICICI, KOTAK and BIRLA. . For the years from 2014-15 & 2019-20. The financial performances of the company have remained constant for certain factors. Null hypothesis accepted and alternate hypothesis rejected.

HDFC had highest growth rate in the first year, 20017-18, at 62.86 percent. The following year, it fell, and the company recorded less growth rates in 2015-16, 2017-18, and 2019-20. Nonetheless, the study's findings over the last three years show the new business premium is increasing at a rapid pace. Its 5-years CAGR has been recorded. 18.09 percent, which is the highest in comparison. MAX has grown at a rate of 75.18 percent in the last year.

20017-18 fiscal year Except for 2015-16 and 2017-18, the company has positively forced In terms of new business premium, the CAGR over the last ten years has been calculated to be 14.93 percent. In the fiscal year 20017-18, ICICI had the highest growth rate of 55.65%. Throughout the research It experienced negative growth rates in 2015-16, 2017-18, and 2019-2020. However, the company's CAGR is 4.03 percent,

Kotak reported a high growth rate of 79.96 percent in 2015-16. Since then, the growth rate has significantly slowed, and in some years, it has been reported as negative. In terms of premium collection, it has gained traction over the last two years. Kotak's CAGR over the last ten years has been 16.57 percent. Birla reported the highest growth rate of 122.61 percent in 2007-08, but it has since declined significantly. It has been observed that the company faced a difficult situation from 2016-17 to 2019-20, when its growth rate was decimated to negative. Its CAGR has been calculated to be 11.12 percent.

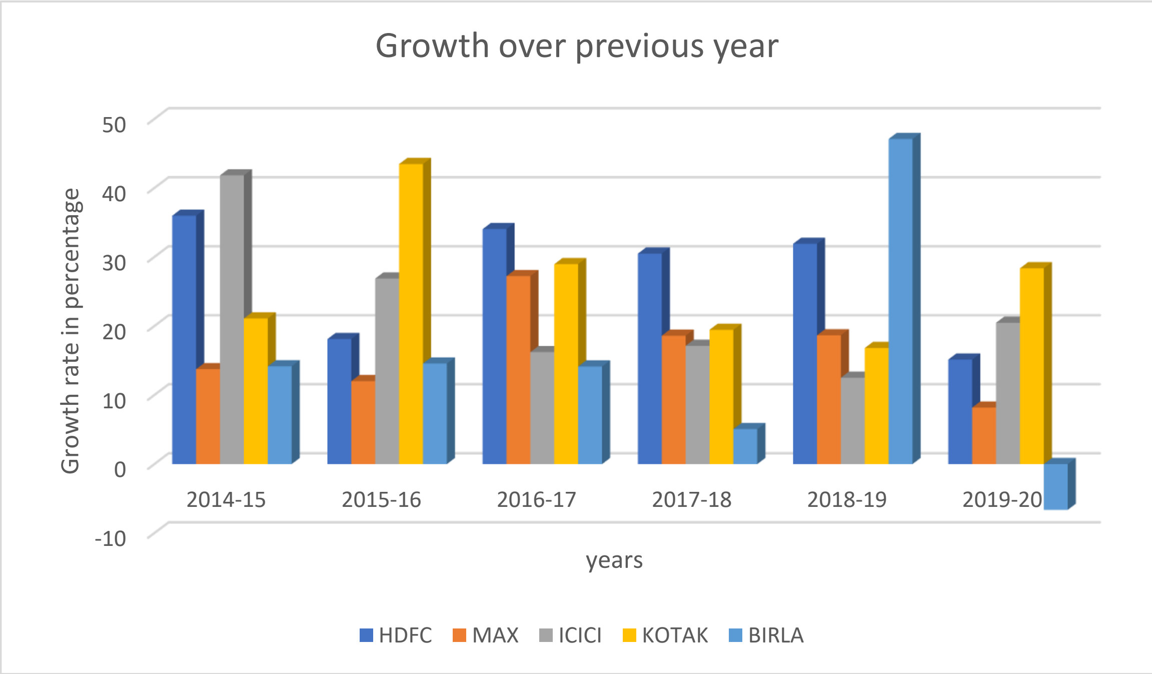


Fig 4.2.1 Growth over previous year

The chart above compares the new business premium for selected companies to that of all private companies. The CAGR of selected companies was 8.95 percent, while the CAGR of private companies as a whole was 10.05 percent. Although,

The market share of selected companies has fallen from 87.82 percent to 79.21 percent A significant portion of the new business premium has been captured by a few companies which is an indicator of a company's market leadership.

4.2.3 Expense of Management

Regarding administration costs, life insurance companies must comply with the limits laid down in Regulation 17D of the Insurance Regulations of 1939. Spending in excess of the limits set for administrative costs. Administrative expenses include all costs incurred directly or indirectly related to the payment of any type of fee related to proof of income and operating expenses. Thus, management expenses include,

1. All Commission Payments
2. Operating Costs.

On May 9, 2016, IRDA published Life Insurers' Management Costs (IRDA) Regulations for 2016. It specifies the limits of available administration costs depending on the type and nature of the product, the term and duration of premium payments. Insurance. Business. In addition, insurers have the option of complying with these rules or the preceding provisions under Rule 17D of Insurance Rules 1939 for the 2015-16 fiscal year.

Table4.3 Growth in commission payments

Years	HDFC	MAX	ICICI	KOTAK	BIRLA
2014-15	623.47	748.63	553.17	181.61	233.37
2015-16	701.84	821.01	619.98	258.11	218.06
2016-17	792.02	936.43	758.92	324.81	255.06
2017-18	1074.93	892.88	1403.27	379.34	268.82
2018-19	1117.68	988.84	1551.29	474.72	417.75
2019-20	1491.18	1024.44	1586.02	549.95	482.44

Table 4.4 Percentage growth over previous year

Years	HDFC	MAX	ICICI	KOTAK	BIRLA
2014-15	21.247	9.6	-11.84	35.14	-0.57
2015-16	12.57	9.67	12.08	42.13	-6.56
2016-17	12.85	14.06	22.41	25.84	16.97
2017-18	25.72	-4.65	84.9	16.94	5.39
2018-19	3.97	10.74	10.54	25.14	55.4
2019-20	33.41	3.60	2.23	15.84	15.48

ANOVA

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	3103594	4	775898.5	10.15436	0.00505	2.75871
Within Groups	1910259	25	76410.34			
Total	5013852	29				

INTERPRETATION

The table above shows the calculated values of F and the critical values of F. The computed value of F is less than the critical value of F. That is, F < F crit (at the 5% significance level).

Therefore, the alternative hypothesis is rejected and the null hypothesis is accepted. Decathlon Pvt Ltd.'s financial data between 2019-20 and 2020-21 is not significantly different. The company's financial performance has remained constant for a number of factors.

In the fiscal year 2019-20, HDFC reported the highest growth rate. Following that, commission expenses increased, but at a slower rate. In the fiscal years 2018-19 and 2015-16, the company reported a decrease in commission expenses. It is during the study period, the CAGR was 14.20 percent. Max has provided the most information. In the fiscal year 2016-17, the rate of growth was 12%. Following that, the growth rate has slowed significantly reduced. During the study period, its CAGR was 15.15 percent. ICICI is a bank exercised effective control over its commission expense, demonstrating its effectiveness method of conducting business since 2014-15, the company has attempted to cut costs gradually, and as a result, the CAGR is reported to be 3.74 percent.

Due to a large collection of new business premium, Kotak reported the highest growth rate of 42.13 percent in 2015-16. From 2017-18 to 2019-20, the company kept its commission expenses under control. Following that, due to a gradual decrease in the business, lower growth rate is observed in expenses

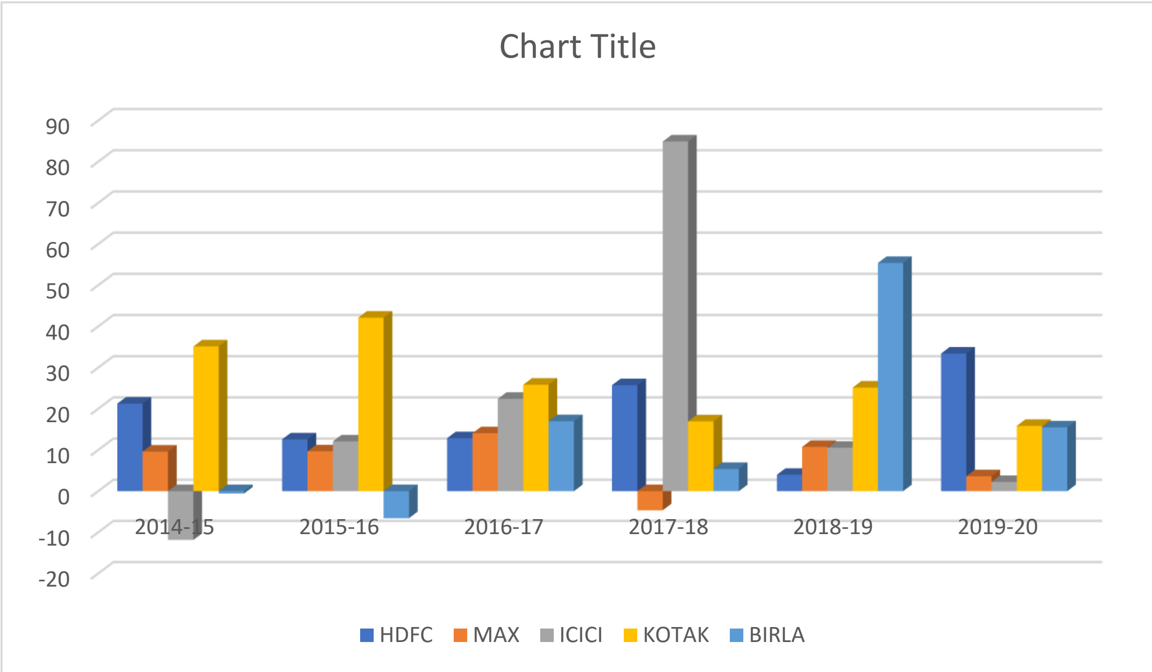


Fig 4.2 Growth over previous year in commission

The chart above depicts a comparison of commission paid for selected companies versus commission paid for all private companies. During the first five years, there were significant fluctuations. The CAGRs of selected companies and all private companies were found to be nearly equal. Selected eight companies have acquired an average 78.79 percent market share in commission growth, indicating that they are market leaders.

4.3 COMPARATIVE STATEMENT

4.3.1 ASSESSMENT OF FINANCIAL PERFORMANCE OF SPORTS EQUIPMENT COMPANY - 2019-2020

Table 4.3.0 Balance Sheet as of 2019 – 2020

Unless otherwise specified, all monetary values are in Lakhs of INR

	31/03/2020	31/03/2019	31/03/2018
Balance sheet [Abstract]			
Assets [Abstract]			
Non-current assets [Abstract]			
Property, plant and equipment	39,573	38,166	
Capital work-in-progress	1,393	2,405	
Goodwill	(A) 95,803	0	
Other intangible assets	9	0	
Intangible assets under development	1,105	879	
Non-current financial assets [Abstract]			
Non-current investments	0	0	
Loans, non-current	2,201	3,664	
Other non-current financial assets	1	1	
Total non-current financial assets	2,202	3,665	
Deferred tax assets (net)	10,549	9,266	
Other non-current assets	1,047	3,178	
Total non-current assets	1,51,681	57,559	
Current assets [Abstract]			
Inventories	50,312	46,831	
Current financial assets [Abstract]			
Current investments	0	0	
Trade receivables, current	1,566	1,748	
Cash and cash equivalents	2,936	5,925	
Loans, current	2,225	326	
Other current financial assets	0	0	
Total current financial assets	6,727	7,999	
Other current assets	6,486.61	7,411.61	
Total current assets	63,525.61	62,241.61	
Total assets	2,15,206.61	1,19,800.61	
Equity and liabilities [Abstract]			
Equity [Abstract]			
Equity attributable to owners of parent [Abstract]			
Equity share capital	18,886.614	18,886.614	18,886.614
Other equity	36,289	43,897	
Total equity attributable to owners of parent	55,175.61	62,783.61	
Non controlling interest	0	0	
Total equity	55,175.61	62,783.61	
Liabilities [Abstract]			
Non-current liabilities [Abstract]			
Non-current financial liabilities [Abstract]			
Borrowings, non-current	0	0	
Other non-current financial liabilities	98,863	0	
Total non-current financial liabilities	98,863	0	
Provisions, non-current	3,110	1,519	
Other non-current liabilities	0	1,900	
Total non-current liabilities	1,01,973	3,419	
Current liabilities [Abstract]			
Current financial liabilities [Abstract]			
Borrowings, current	0	7,500	
Trade payables, current	45,919	37,963	
Other current financial liabilities	772	1,957	
Total current financial liabilities	46,691	47,420	
Other current liabilities	1,109	0	
Provisions, current	849	64	
Current tax liabilities	9,409	6,114	
Total current liabilities	58,058	53,598	
Total liabilities	1,60,031	57,017	

INTERPRETATAION 2020-2019

Non-Current Asset

Particulars	2020	2019	Absolute Change	Percentage Change %
Non-Current Asset	151681	57559	94122	62.02

Tabulation of Non-Current Asset Table 4.3.1

The above table shows that the Non-Current Assets of Decathlon has increased by Rs.94122 (in Lakhs) and 62.02% in comparison with 2019.

Graph 4.3.1 Non-Current

Asset – current Asset

Particulars	2020	2019	Absolute Change	Percentage Change %
Current Asset	63525.61	62241.61	1284	0.20

Table 4.3.2 Current Asset

The above table shows that the Current Assets of Decathlon has increased by Rs.1284 (in Lakhs) and 0.20% in comparison with 2019.

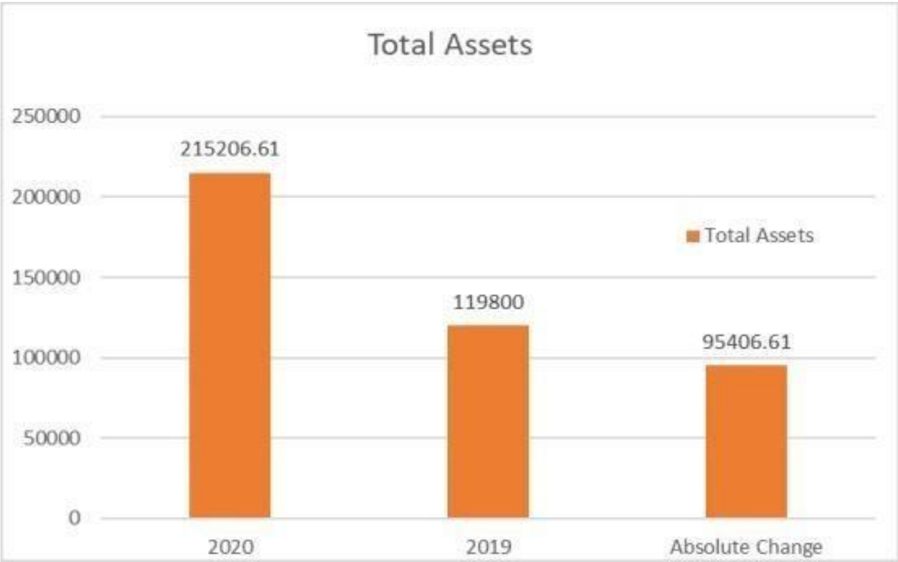
Graph 4.3.2 Current Asset

Total Asset

Particulars	2020	2019	Absolute Change	Percentage Change %
Total Assets	215206.61	119800	95406.61	44.33

Table 4.3.3 Total Asset

The above tables shows that the Total Assets of Decathlon has increased by Rs. 95406.61 (in Lakhs) and 44.33% in comparison with 2019.



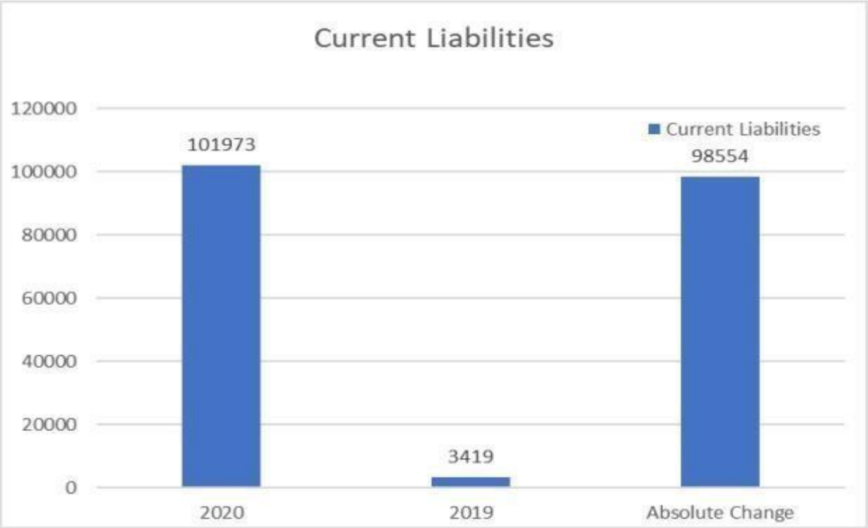
Graph 4.3.3 Total Asset

Current Liabilities

Particulars	2020	2019	Absolute Change	Percentage Change %
Current Liabilities	101973	3419	98554	96.64

Table 4.3.4 Current Liabilities

The above tables shows that the Current Liabilities of Decathlon has increased by Rs.98554 (in Lakhs) and 96.64% in comparison with 2019.



Graph 4.3.4 Current Liabilities

Non-Current Liabilities

Particulars	2020	2019	Absolute Change	Percentage Change %
Non-Current Liabilities	58058	53598	4460	7.68

Table 4.3.5 Non-Current Liabilities

The above tables shows that the Non-Current Liabilities of Decathlon has increased by Rs.4460 (in Lakhs) and 7.68% in comparison with 2019.

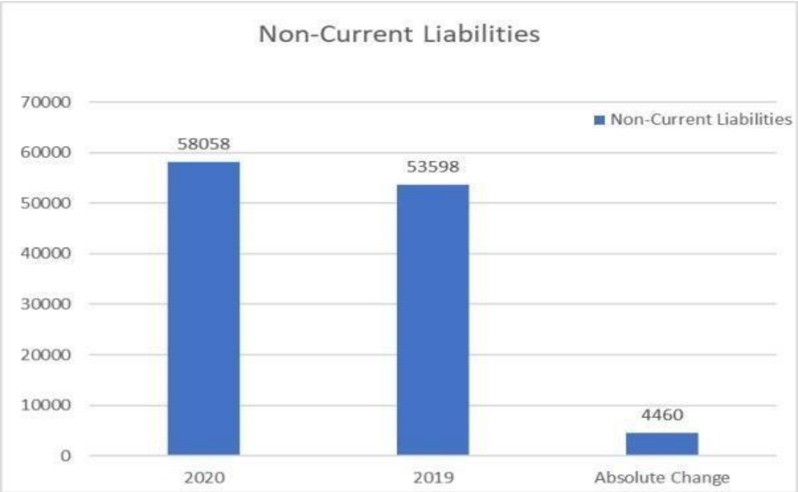


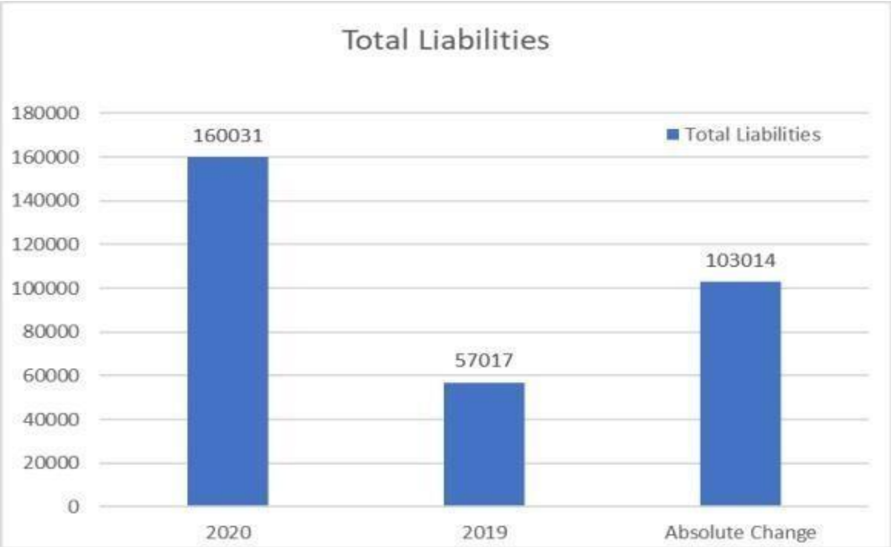
Table 4.3.5 Non-Current Liabilities

Total Liabilities

Particulars	2020	2019	Absolute Change	Percentage Change %
Total Liabilities	160031	57017	103014	64.37

Table 4.3.6 Total Liabilities

The above tables shows that the Total Liabilities of Decathlon has increased by Rs.103014 (in Lakhs) and 64.37% in comparison with 2019.

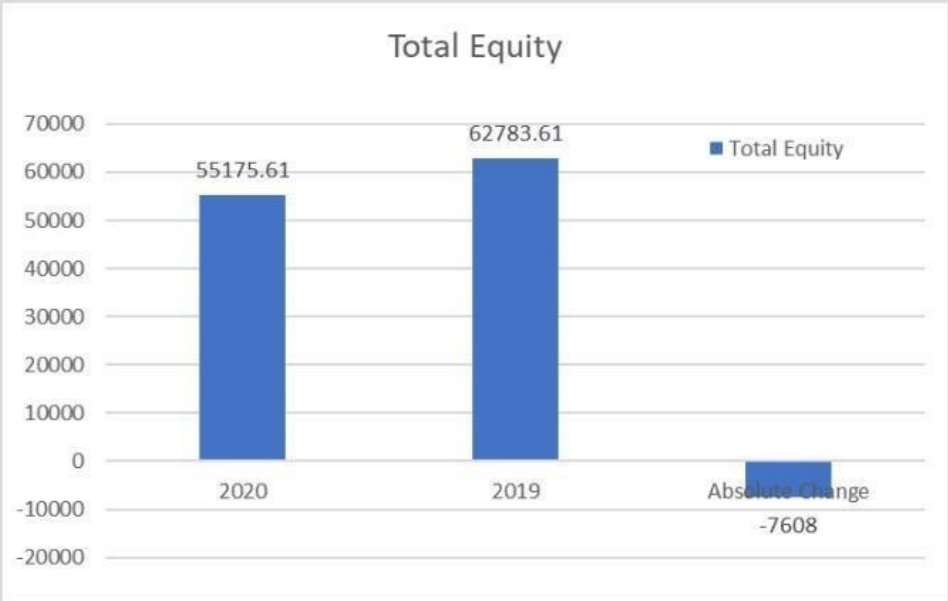


Total Equity

Particulars	2020	2019	Absolute Change	Percentage Change %
Total Equity	55175.61	62783.61	-7608	

Table 4.3.7 Total Equity

The above table's shows that the Total Equity of Decathlon has reduced by - Rs.7608 in comparison with 2019.



Graph 4.3.7 Total Equity

INTERPRETATION

1. As you can see from the comparison table above, Decathlon Sports Private Limited's liquid assets have increased by Rs. 1284 (lakhs) in 2020 compared to 2019.

2. Meanwhile, current liabilities also increased by Rs 98,554 (lakhs). Now, these changes may affect Decathlon Sports Private Limited's liquidity position. This is because current assets have increased while current liabilities have increased.

3. Second, Decathlon Sports Private Limited's Cash and Banks decreased -50.44%. This represents negative cash flow for the company. It also implies that the company may find it difficult to meet its short-term obligations.

4. Decathlon Sports Private Limited's debt increased further to 64.37. On the other hand, equity capital decreased. This only means that the company does not rely on external creditors, which does not lead to significant financial risks.

5. Finally, the assets of Decathlon Sports Private Limited have grown significantly in this account. As a result, compared to 2019, it increased by 44.33% compared to 2020. This is due to a significant increase in the company's assets. So the addition increases the company's capacity throughout the year.

4.4 COMPARATIVE STATEMENT 2018-2019

Unless otherwise specified, all monetary values are in Lakhs of INR

	31/03/2019	31/03/2018	31/03/2017
Balance sheet [Abstract]			
Assets [Abstract]			
Non-current assets [Abstract]			
Property, plant and equipment	38,166.41	37,253.27	
Capital work-in-progress	2,404.72	2,087.72	
Other intangible assets	0	6.63	
Non-current financial assets [Abstract]			
Non-current investments	0	0	
Loans, non-current	3,664.27	2,067.16	
Other non-current financial assets	0.53	0.55	
Total non-current financial assets	3,664.8	2,067.71	
Deferred tax assets (net)	9,266.4	6,716.34	
Other non-current assets	(A) 4,056.77	2,301.5	
Total non-current assets	57,559.1	50,433.17	
Current assets [Abstract]			
Inventories	46,830.47	33,251.17	
Current financial assets [Abstract]			
Current investments	0	0	
Trade receivables, current	1,748.04	1,119.08	
Cash and cash equivalents	5,925.14	6,259.56	
Bank balance other than cash and cash equivalents	0.25	2,504.31	
Loans, current	326.34	732.18	
Total current financial assets	7,999.77	10,615.13	
Other current assets	7,411.52	4,530.29	
Total current assets	62,241.76	48,396.59	
Non-current assets classified as held for sale	0	1,131.96	
Total assets	1,19,800.86	99,961.72	
Equity and liabilities [Abstract]			
Equity [Abstract]			
Equity attributable to owners of parent [Abstract]			
Equity share capital	18,886.614	18,886.614	18,886.614
Other equity	43,896.61	42,806.86	
Total equity attributable to owners of parent	62,783.22	61,693.47	
Non controlling interest	(B) 0.01	(C) 0.01	
Total equity	62,783.23	61,693.48	
Liabilities [Abstract]			
Non-current liabilities [Abstract]			
Non-current financial liabilities [Abstract]			
Borrowings, non-current	0	0	
Total non-current financial liabilities	0	0	
Provisions, non-current	1,518.89	453.55	
Other non-current liabilities	1,900.17	1,465.13	
Total non-current liabilities	3,419.06	1,918.68	
Current liabilities [Abstract]			
Current financial liabilities [Abstract]			
Borrowings, current	7,500	0	
Trade payables, current	37,963.07	30,060.86	
Other current financial liabilities	1,957.08	2,122.62	
Total current financial liabilities	47,420.15	32,183.48	
Other current liabilities	6,114.07	4,133.41	
Provisions, current	64.35	32.67	
Total current liabilities	53,598.57	36,349.56	
Total liabilities	57,017.63	38,268.24	
Total equity and liabilities	1,19,800.86	99,961.72	

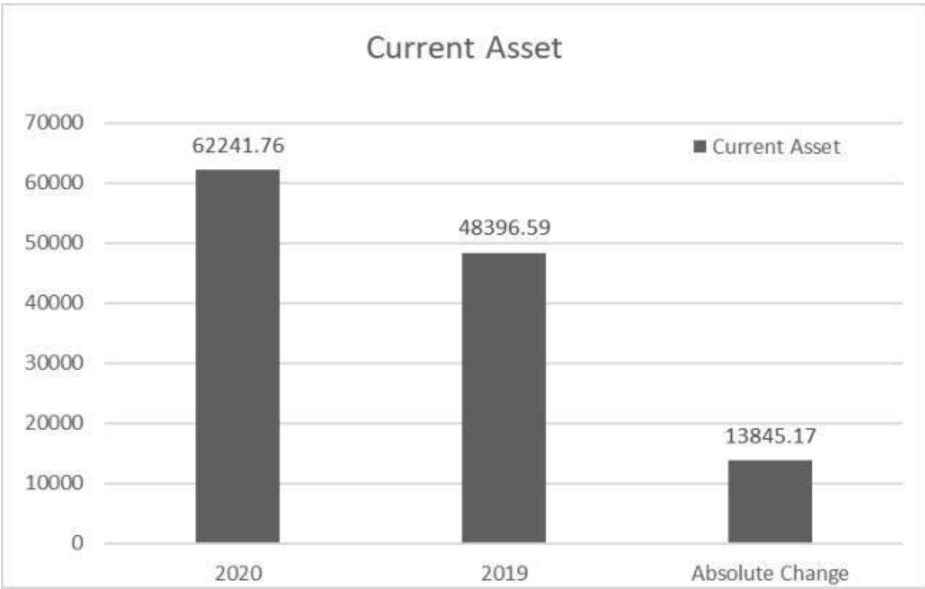
Interpretation of Comparative Statement

Current Asset

Particulars	2019	2018	Absolute Change	Percentage Change
Current Asset	62241.76	48396.59	13845.17	22.24

Table 4.4.1 Current Asset

The above tables shows that the Current Assets of Decathlon has increased by Rs. 13845.17 (in Lakhs) and 22.24% in comparison with 2018.



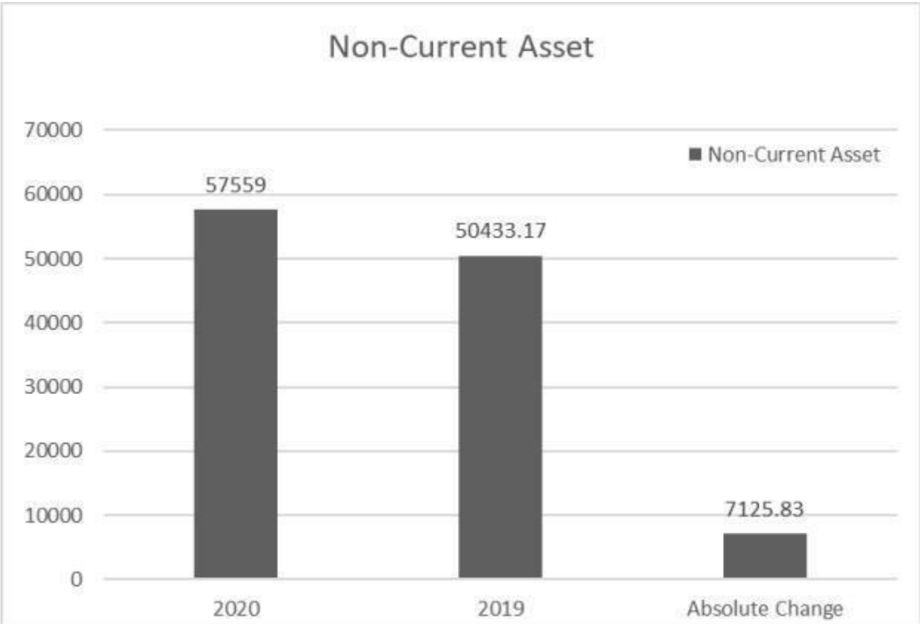
Graph 4.4.1 Current Asset

Non-Current Asset

Particulars	2019	2018	Absolute Change	Percentage Change
Non-Current Asset	57559	50433.17	7125.83	12.38

Table 4.4.2 Non-Current Asset

The above tables shows that the Non-Current Assets of Decathlon has increased by Rs.7125.83 (in Lakhs) and 12.38% in comparison with 2018.



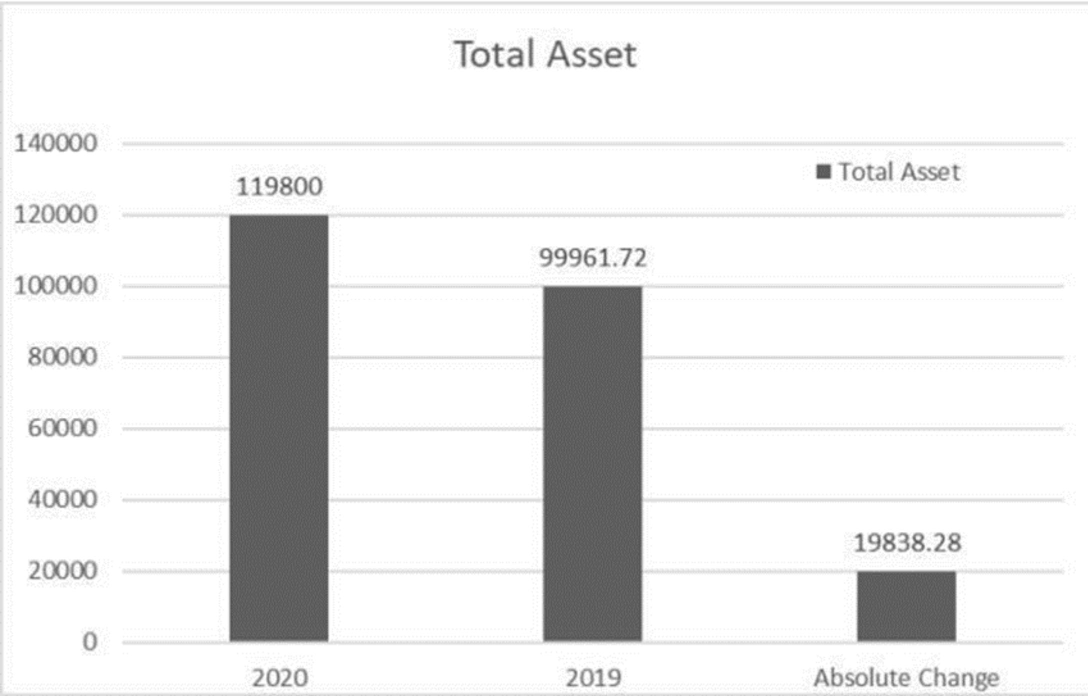
Graph 4.4.2 Total Asset

Total Asset

Particulars	2019	2018	Absolute Change	Percentage Change
Total Asset	119800	99961.72	19838.28	16.55

Table 4.4.3 Total Asset

The above tables shows that the Total Assets of Decathlon has increased by Rs.19838.28 (in Lakhs) and 16.55% in comparison with 2018.

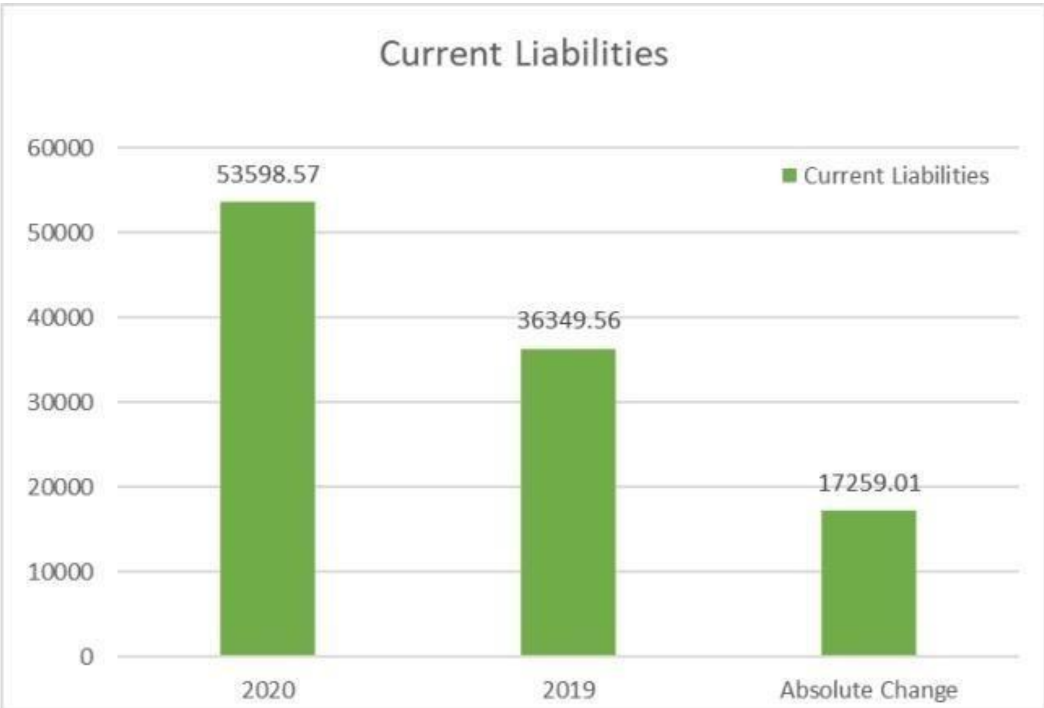


Current Liabilities

Particulars	2019	2018	Absolute Change	Percentage Change %
Current Liabilities	53598.57	36349.56	17259.01	32.18

Table 4.4.4 Current Asset

The above tables shows that the Current Liabilities of Decathlon has increased by Rs.17259.01 (in Lakhs) and 32.18% in comparison with 2018.



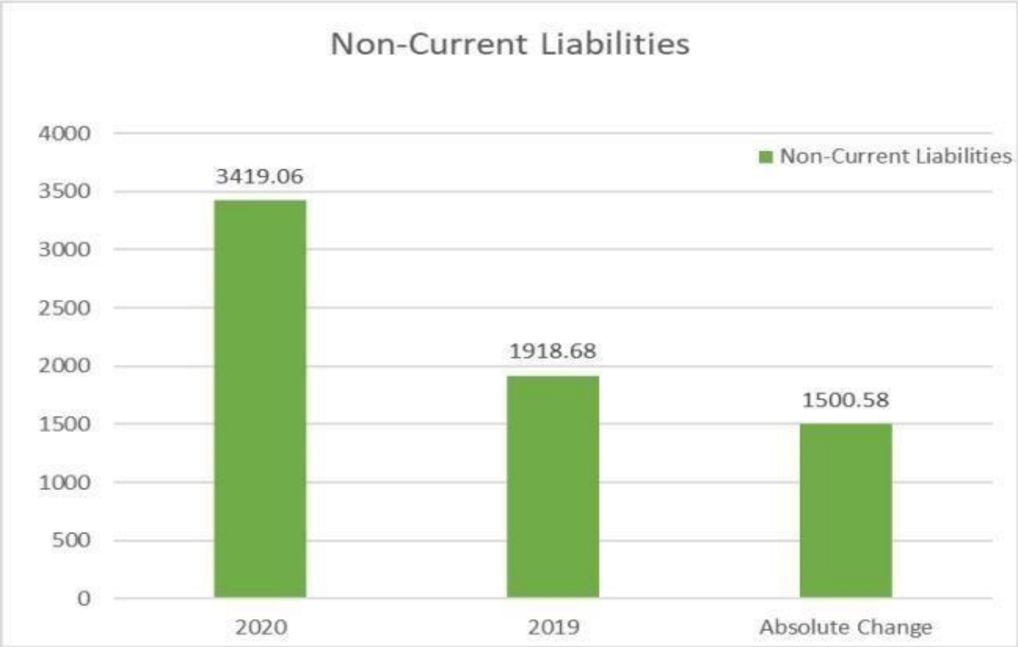
Graph 4.4.4 of Current Liabilities

Non-Current Liabilities

Particulars	2019	2018	Absolute Change	Percentage Change %
Non-Current Liabilities	3419.06	1918.68	1500.58	43.88

Table 4.4.5 Non-Current Liabilities

The above tables shows that the Non-Current Liabilities of Decathlon has increased by Rs.1500.58 (in Lakhs) and 43.88% in comparison with 2018.



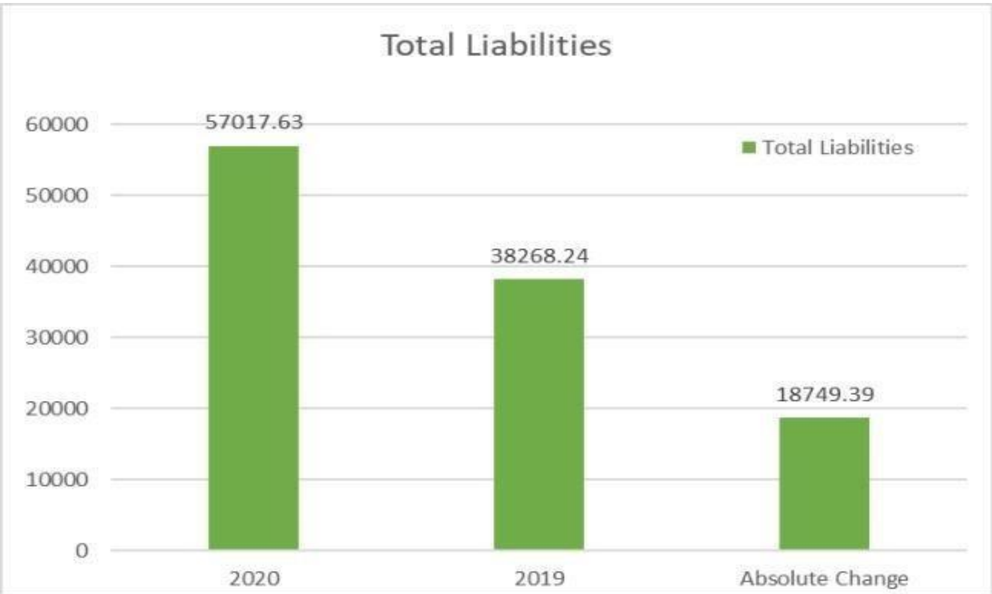
Graph 4.4.5 Non-Current Liabilities

Total Liabilities

Particulars	2019	2018	Absolute Change	Percentage Change %
Total Liabilities	57017.63	38268.24	18749.39	32.88

Table 4.4.6 Total Liability

The above tables shows that the Total Liabilities of Decathlon has increased by Rs.18749.39 (in Lakhs) and 32.88% in comparison with 2018.



Graph 4.4.6 Total Liabilities

Total Equity

Particulars	2019	2018	Absolute Change	Percentage Change %
Equity	62783.23	61693.48	1089.75	1.73

Table 4.4.7 Total Equity

The above tables shows that the Total Equity of Decathlon has increased by Rs.1089.75 (in Lakhs) and 1.73% in comparison with 2018.

Graph 4.4.7 Total Equity

INTERPRETATION

As we can see in the comparative tables above, the Current Assets of Decathlon Sports Private Limited has increased by Rs.13845 (in Lakhs) in the year 2019 over 2018.

On the other hand, the current liabilities also have increased by Rs.17259.01 (in Lakhs). Now such change may affect have an impact on the on the liquidity position of Decathlon Sports Private Limited. This is because both Current Assets have increased, whereas Current Liabilities have increased more.

Secondly, the cash and cash equivalent of Decathlon Sports Private Limited have decreased by - 5.34%. This indicates a negative cash of the company. Its further hints towards the fact that the company might find it challenging to meet its short-term obligations.

Next, the liabilities of Decathlon Sports Private Limited have increased 32.88%. On the other hand, the owners' equity has decreased. This only indicates that company is not dependent on the external lenders thus not leading to great financial risk.

Finally, there is a considerable increase Assets of Decathlon Sports Private Limited, this account. Accordingly increased by 16.55% from the year 2018 to 2019. This is on account of the huge addition made to the assets of the company. Therefore, additional leads to improvement in the production capacity of the company during the year.

4.5 SALES FORCASTING

The process of estimating future sales is known as sales forecasting. Companies can make informed business decisions and predict short- and long-term performance with accurate sales forecasts. Forecasts can be based on historical sales data, industry comparisons, and economic trends.

Established businesses find it easier to forecast future sales based on years of historical data. To forecast their future business, newly founded companies must rely on less- verified information such as market research and competitive intelligence.

Sales forecasting provides insight into how a company's workforce, cash flow, and resources should be managed. Predictive sales data is important for businesses looking to acquire investment capital, in addition to helping them allocate internal resources effectively.

Companies can uses of sales forecasting to

- Estimate actual sales revenue.
- Allocate resources efficiently.
- Plan for future growth

Table representing sales forecast for April 2021 to August 2021

The chart represents the sales forecast from the month of April 2021 to June 2022 and also interprets Forecast amount, Lower Confidence Bound (Amount) and Upper Confidence Bound (Amount).

Particulars	Amount	Forecast(Amount)	Lower Confidence Bound (Amount)	Upper Confidence Bound (Amount)
Apr-20	352800000			
May-20	466400000			
Jun-20	285800000			
Jul-20	253200000			
Aug-20	347100000			
Sep-20	473500000			
Oct-20	362600000			
Nov-20	568200000			
Dec-20	643100000			
Jan-21	280000000			
Feb-21	298000000			
Mar-21	314700000	314700000	314700000	314700000
Apr-21		377326669.6	140372404.1	614280935
May-21		379450597.2	142495265.5	616405929
Jun-21		381574524.9	144617297.5	618531752.2
Jul-21		383698452.5	146738263.3	620658641.8
Aug-21		385822380.2	148857925.9	622786834.4
Sep-21		387946307.8	150976048.5	624916567.1
Oct-21		390070235.5	153092394.3	627048076.7
Nov-21		392194163.1	155206726.4	629181599.9
Dec-21		394318090.8	157318808.3	631317373.3
Jan-22		396442018.4	159428403.4	633455633.5
Feb-22		398565946.1	161535275.2	635596617
Mar-22		400689873.8	163639187.6	637740560
Apr-22		402813801.4	165739904.3	639887698.6
May-22		404937729.1	167837189.5	642038268.6
Jun-22		407061656.7	169930807.7	644192505.8

Table 4.5.1 Sales Forest

SALES FORECAST GRAPH

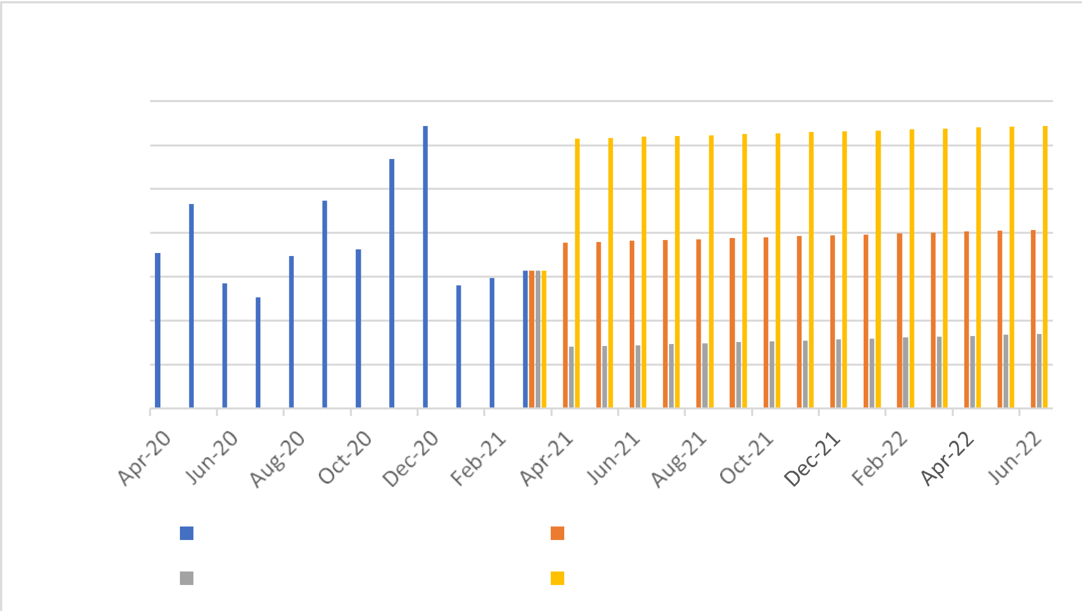


Fig 4.5.1 Graphical Representation of Sales Forecast

The above graph represents the values of Forecast (Amount), Lower Confidence (Amount) and Upper Confidence (Amount).

INTERPRETATION

As from the figure, it is evident that the forecast for the next year shows a positive hike in the whole sales of the company. In the graph the blue depicts the actual sales of the company and the orange bar depicts the forecasted sales of the company. In March 2021, Rs. 428200000 is the actual sales and when it comes to June 2022 its Rs. 644192505.76. According to the above table and graph the Forecast (Amount), which lies at the Rs.400000000, the graph shows a constant increase in the trend.

The difference between the Upper Confidence (Amount) and Lower confidence (Amount) is (Rs. 644192505.76 - Rs. 407061656.7) = Rs.237130849.76.

The company shows a growth in sales as per the above forecast and it is expected to reach Rs.644192505.76 in June 2022 as the Upper Confidence (Amount).

CHAPTER V
FINDINGS AND SUGGESTIONS

5.1 FINDINGS

5.1.1 ANOVA FINDINGS

In the case of the new business premium, the null hypothesis is adopted and the alternative hypothesis is rejected. There are no significant differences between the financial data of HDFC, MAX, ICICI, and KOTAK. The company's financial performance for 2014-15 and 2019-20 remained stable for a number of factors. The null hypothesis is accepted and the alternative hypothesis is rejected.

In the case of administrative cost, the alternative hypothesis is rejected and the null hypothesis is adopted. There is not much difference between the financial data of the five companies for 2019-20 and 2020-21. The company's financial performance has remained constant for a number of factors.

In the case of operating costs, the alternative hypothesis is rejected and the null hypothesis is adopted. There is not much difference between the financial data of the five companies for 2019-20 and 2020-21. The company's financial performance has remained constant for a number of factors.

Ratio Analysis

Profitability Ratio

A ratio analysis was conducted for five companies, based on profitability, net profit ratio, and return on invested capital. This ratio helped determine the size of the net profit for all five companies, giving a clear indication of how much net profit the company made out of total sales. According to the data, ICICI had the highest net profit margin in 2016-2017, and from that year to 2019-2020, there is a gradual decline. Other companies, such as HDFC and KOTAK, saw similar consistent growth from 2016 to 2017, while some companies, such as MAX, declined from 2016 to 2017. Net profit margin is a final percentage that shows a company's overall performance. We could say that it is the most important ratio for management because any changes in other ratios have an indirect impact on the net profit margin. A low quick ratio, for example, could be due to low sales, which would obviously lower the net profit margin as well. This ratio is significant because it can assist the company or investors in determining where problems may exist in the company's current operating expenses. Perhaps the interest expenses are too high as a result of the financing strategy that favors loans over equity. The net profit margin, expressed as a percentage, shows how much profit is generated for every $1 in sales after accounting for all business expenses incurred in earning those revenues. The higher the rate of return, the more of the sale is retained as profit.

5.1.2 Findings for the year 2020-2022

The Liquidity ratio of Decathlon India Private Limited is greater than 1, therefore the short-term solvency or liquid position of the company is good (ratio 1.215).

The Cash Ratio of Decathlon India Private Limited was ideal for the year 2020, then there was a decrease in following year 2021 and 2022. This depicts that there is a fall in the ability to pay back in comparison from 2020 to 2021, 2022 (ratio 0.380).

The Quick ratio of Decathlon India Private Limited is not in a good position to meet current or liquid liabilities in time, therefore the company is not healthy in the three years (2018 to 2020) (ratio 0.18).

The Debt ratio of Decathlon India Private Limited is much higher then 0.6, therefore it is difficult to borrow money (ratio 2.348).

The Debt-to-Equity Ratio of Decathlon India Private Limited is positive, therefore the company does not have more liability. Whereas in the year 2022 the ratio has increased to 2.9 which could be risky (ratio 1.912).

The Equity Ratio of Decathlon India Private Limited was positive and around the 0.5 or 50% which depicts that there is more outright owner in the business. There is a decrease from the year 2020 to 2022 (ratio 0.41).

The Gross Profit Margin Ratio of Decathlon India Private Limited is performing better than average, where for all the three years has been greater than 10% (ratio 14.98%).

The Total Assets of Decathlon India Private Limited has increased by 44.33% for the year 2020-2021, which depicts that the company is growing.

The Total Liabilities of Decathlon India Private Limited has increased by 64.37% for the year 2021-2022, which depicts increase in accounts payable, increase short term loans and long term 64.37%

The Total Equity of Decathlon India Private Limited has decreased by - 7608, which depicts loss of money and the owner needs to move equity into normal business operations for the year 2021-2022 as 28.2%

5.2 RECOMMENDATIONS

In the long run, service quality and ease of claim settlement will lead to customer base expansion and retention. Only 42% of the total insurable population in India is insured, implying that there are lucrative opportunities to expand the insurance business in India.

5.2.1 Recommendation for the Year 2020-2022

- The company has to increase its cash ratio to improve the ability to pay back.
- The company has to increase quick ratio because the company is not in a good position to meet current or liquid liabilities in time, therefore the company is not healthy in the three years (2020 to 2022).
- The company has to decrease its debt ratio as the higher ratio difficult to borrow money.
- The company has a positive ratio, which depicts that the company does not have more liabilities. Whereas, there is an increase in the year 2022, which could be risky.
- The company has a positive equity ratio and around the 0.5 or 50% which depicts that there ismore outright owner in the business. There is a decrease from the year 2020 to 2022.
- The company has better gross profit ratio and the company has been performing better than average for all the three years.
- The company is growing as the total assets of the company have increased.
- The company the total a liability has increased, which depicts that there is an increase in shortterm loans and long term.
- The Total Equity of Decathlon India Private Limited has decreased by - 7608, which depicts loss of money and the owner needs to move equity into normal business operations. The company needs to increase the total equity.
- The Total Liabilities of Decathlon India Private Limited has increased by 32.88% for the year2018-2019, which depicts increase in accounts payable, increase short term loans and long term, the company should decrease for better performance.
- The difference between the Upper Confidence (Amount) and Lower confidence (Amount) is (Rs.627857448 - Rs. 173689718) = Rs.454167730, this represents the sales forecast, upper limit and the lower limit.

5.3 CONCLUSION

In order to understand the financial position and the overall performance for the year 2018 to 2020 of the company. The financial performance of the company has shown an improvement over the year. It’s been proved by observing that the company has been doing better than average. The performance of Decathlon is analyzed through ratio analysis, comparativebalance sheet and sales forecast by which complete financial performance of the company notbe understood but mere understanding of the financial performance is gained. The profits of the company have decreased due to the impact of Co-vid and fall in sales. The company can grow efficiently if it inculcates the polices in a favorable manner the debts have to reduce. If this is the case then the company can grow to its heights. The gross profit has been constant which depicts that the company has to put in more efforts for higher profits and growth of the company. The company’s assets and liabilities have increased over the period of time which depicts the growth of the company. The company has to deal with their debts and loans in such a way that the pay back ability increases and the ratios increase. The overall performance of the company has been better than average, whereas the company can do better.

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https://www.decathlon.in/

This is to certify the attendance record of ...Gokul . D ... – 21MIFB18... *(Name of the student with register number)*, II Year MBA, School of Management, Kristu Jayanti College, Autonomous, Bengaluru during the internship.

September 2022	Signature	October 2022	Signature	November 2022	Signature
01.09.2022		01.10.2022		01.11.2022	
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05.09.2022		05.10.2022		04.11.2022	
06.09.2022		06.10.2022		05.11.2022	
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15.09.2022		15.10.2022		15.11.2022	
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27.09.2022		27.10.2022		26.11.2022	
28.09.2022		28.10.2022		28.11.2022	
29.09.2022		29.10.2022		29.11.2022	
30.09.2022		31.10.2022		30.11.2022	

Authorised Signatory

Company Seal

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