A STUDY ON RATIO ANALYSIS AT HENUS GRANITES, CHENNAI

Project report submitted to

UNIVERSITY OF MADRAS

In partial fulfilment of requirement for the award of

BACHELOR OF BUSINESS ADMINISTRATION

Submitted by

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Under the guidance of

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FACULTY GUIDE

DEPARTMENT OF BUSINESS ADMINISTRATION

(Affiliated to University of Madras)

MARCH 2023

Date:

COLLEGE CERTIFICATE

This project report **entitled "A STUDY ON RATIO ANALYSIS AT HENUS GRANITE, CHENNAI"** is a bonafide record of the original work done by **NISHETH J TEDDY(Reg. No. 412002243), RAGUL.D(Reg. No. 412002249), RAHUL.K(Reg.No.412002251)** submitted in partial fulfilment of the requirements for the award of the degree **BACHELOR OF BUSINESS ADMINISTRATION, UNIVERSITY OF MADRAS** during the accordance year **(2020-2023).**

FACULTY GUIDE

HEAD OF THE DEPARTMENT

INTERNAL EXAMINER **EXTERNAL EXAMINER**

DECLARATION

We declare that this project work titled **"A STUDY ON RATIO ANALYSIS AT HENUS GRANITE"** submitted by in partial

Fulfilment of the requirement for the degree **of BACHELOR OF BUSINESS ADMINISTRATION** by **NISHETH J TEDDY (412002243), RAGUL.D (412002249), RAHUL.K (412002251)** is the record of project work carried out by us during the period MARCH-2023, under the supervision and guidance of **MR.RAMU.M, MBA**,This is our original Project work and has not previously formed the basis of the award for any degree, diploma, Associateship. Fellowship or other Titles in this university or any other University or other similar institution of Higher Learning

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CHAPTER -I

INTRODUCTION

Introduction Of Study :

Ratio analysis is a widely used tool of financial analysis. It is defined as the systemic use of ratio to interpret the financial statements so that the strengths and weaknesses of a firm, as well as its historical performance and current financial condition, can be determined.

Ratios make the related information comparable. A single figure by itself has no meaning but when expressed in terms of related figures it yields significant inferences. Thus ratios are relative figures reflecting the relationship between related variables.

Their use, as tools of financial analysis, involves their comparison as single ratios like absolute figures are not of much use. A ratio is quotient of two numbers and is an expression of relationship between the figures which are not of much use.

When compared, the financial statements of an enterprise give us an insight into how well the organization is being run financially, or at what position it stands. This evaluation is called financial ratio analysis and is necessary from time to time to make comparisons between different companies or industries.

The figures on an accounting record - the income statement, the balance sheet, and also the cash flow statement - all of these are used to undertake quantitative study and evaluate a company's liquidity, margins, leverage, growth, rates of return, profitability, and worth, among other things.

This blog will focus on some of these major aspects of financial ratio analysis and their importance. So, as we dive in let us try to understand what ratio analysis

The analysis of financial statements as well as interpretation of financial data of particular period of operation with the help of using ratio is termed as ratio analysis. Therefore ratio analysis is hereby used to find out the financial soundness of a particular organization Ratio analysis is holding various outcomes for stakeholder like, creditors, debtors, investors as well mangers Ratio analysis is very essential to build the relationship between two accounting figures to highlight the important information to the management or other users so that perfect action or decision can be taken in terms of the present business situation or the company's financial performance to be in better position in future

Ratio analysis facilitates the accounting information to be summarized and simplified in a required form and highlights the interrelationship between the facts and figures of various segments of business. Ratio analysis helps the company to remove all types of wastage and inefficiencies

The paper aims at analyzing the financial ratio of financial statements of Bank companies with special reference to Export Import Bank of Bangladesh Limited, The City Bank Limited, Bank Asia Limited and Shahjalal Islami Bank Limited which have multi-billion dollar business in our country and also across the world. The primary objective is to find out about the historical performance and current financial condition of all banks Ltd with the help of various ratios and thereby to offer appropriate suggestions for the better performance of the organization. The duration has been taken for 3 years that from the year 2009-2011. The study has great significance and will provide benefits to various parties who directly or indirectly interact with the bank companies

A financial statement is an organized collection of data according to logical and consistent accounting procedures. Its purpose is to convey an understanding of some financial aspects of a business firm. It may show a position at a moment of time as in the case of a balance sheet, or may reveal a series of activities over a given period of time, as in the case of an income statement.

A financial ratio is an index that relates two accounting number and is obtained by dividing one by the other. Financial ratios are tools for interpreting financial statements to provide a basis for valuing securities and appraising financial and management performance. Ratio analysis is calculating and interpreting financial ratios taken from financial reports to assess a firm.

Trend analysis is the method of time series data (information in sequence over time) analysis involving comparison of the same item (such as monthly sales revenue figures) over a significantly long period to detect general pattern of a relationship between associated factors or variables, and project the future direction of this pattern.

Common-size analysis means an analysis of percentage financial statement where all balance sheet items are divided by total asset and all income statement items are divided by net sales or revenue.

Index analysis is the analysis of percentage financial statement where all balance sheet or income statement figures for a base year equal 100 percentage and the subsequent financial statement items are expressed as percentage of their values in the base year.

Ratio analysis is referred to as the study or analysis of the line items present in the financial statements of the company. It can be used to check various factors of a

business such as profitability, liquidity, solvency and efficiency of the company or the business Ratio analysis is mainly performed by external analysts as financial statements are the primary source of information for external analysts.

The analysts very much rely on the current and past financial statements in order to obtain important data for analyzing financial performance of the company. The data or information thus obtained during the analysis is helpful in determining whether the financial position of a company is improving or deteriorating.

Absolute numbers tell very little. Assume that two companies A and B, operating within the same industry supply the information:
One can easily say that Company B makes the most profit. But which company is most profitable? The answer for this will naturally call for further additional information relating to profit such as size of the company, the total sales it generates or to how much capital is invested in it. Hence, an assessment or a judgment is made based on making some sort of comparison. Extending the example,
If net profit is compared with Sales, an assessment can be made on which company generates the most net profit per Re.1 received from customers. Company A : Net Profit/ sales * 100 i.e. 5 percent and Company B it is 20 percent. If the net profit is expressed in terms of investments made by the owners in each company, it is Net Profit / Net worth *100. For Company A, it is 10% and for it is 25%. It is also known as Return on Capital.
Employed. ROCE. Ratios are useful in two ways:
1. To make inter-business comparisons
2. To make comparisons across financial periods
A ratio is simply one number expressed in terms of another. It is a means of highlighting in arithmetical terms the relationship between figures drawn from various financial statements. Therefore, it refers to the numerical or quantitative relationship between two variables or items. A ratio expresses simply in one number the result of comparison between two figures. It is calculated by dividing one figure by the other. The quotient so obtained is the ratio of the figures.

Ratio can be expressed in the following three forms:
1. As proportion
2. As percentage
3. As turnover or rate

The Dictionary meaning of Analysis is “separation or breaking up of anything into its elements or component parts”. Ratio Analysis is, therefore, a technique of analysis and interpretation of financial statements. Ratio analysis is the process of establishing and interpreting various ratios for helping in making certain decisions. It involves the methods of calculating and interpreting financial ratios to assess the firm’s performance and status.

NATURE OF RATIO ANALYSIS :

Ratio Analysis is a powerful tool of francium analysis. A ratio is defined as the indicated quotient of mathematical expression" and as "the relationship between two or more things". A ratio is used as benchmark for evaluating the financial position and performance of the firm. The relationship between two accounting figures, expressed mathematically, is known as a financial ratio, Ratio helps to summarizes large quantities of financial data and to make qualitative judgment about the firm's financial performance.

The persons interested in the analysis of financial statements can be grouped under three head owners (or) investors who are desired primarily a basis for estimating carning capacity. Creditors are the people who are concerned primarily with Liquidity and ability to pay interest and redeem kan within a specified period. Management is interested in evolving analytical tools that will measure costs, efficiency, liquidity and profitability with a view to make intelligent decisions

STANDARDS OF COMPARISON :

The ratio analysis involves comparison for a useful interpretation of the firuncial statements. A single ratio in itself does not indicate favourable or unfavourable condition. It should be compared with some standard. Standards of comparison are:

1. Past Ratios
2. Competitor's Ratios
3. Industry Ratios
4. Projected Ratios

Past Ratios: Ratios calculated from the past financial statements of the same firm.

Competitor's Ratios: Ratios of some selected firms, especially the most progressive And successful competitor at the same point in time.

Industry Ratios: Ratios of the industry to which the firm belongs

Projected Ratios: Ratios developed using the projected financial statements of the same Firm.

METHODS OF ANALYSIS:

A financial analyst can adopt the following took for analysis of the financial statements. These are also termed as methods of francial analysis.

A. Comparative statement analysis
B. Common-size statement analysis
C. Trend analysis
D. Funds flow analysis
E. Ratio analysis

Parties interested in financial analysis:

The users of financial analysis can be divided into two broad groups.

Internal users

1.Financial executives
2.Top management

External users

1.Investors
2. Creditor
3. Workers
4. Customers
5. Government
6. Public
7. Researchers

Significance of financial analysis:

Financial analysis serves the following purpose:

To know the operational efficiency of the business: The financial analysis enables the management to find out the overall efficiency of the firm. This will enable the management to locate the weak Spots of the business and ttak necessary remedial action.

Helpful in measuring the solvency of the firm: The financial analysis helps the decision makers in taking appropriate decisions forstrengthening the short-term as well as long-term solvency of the firm.

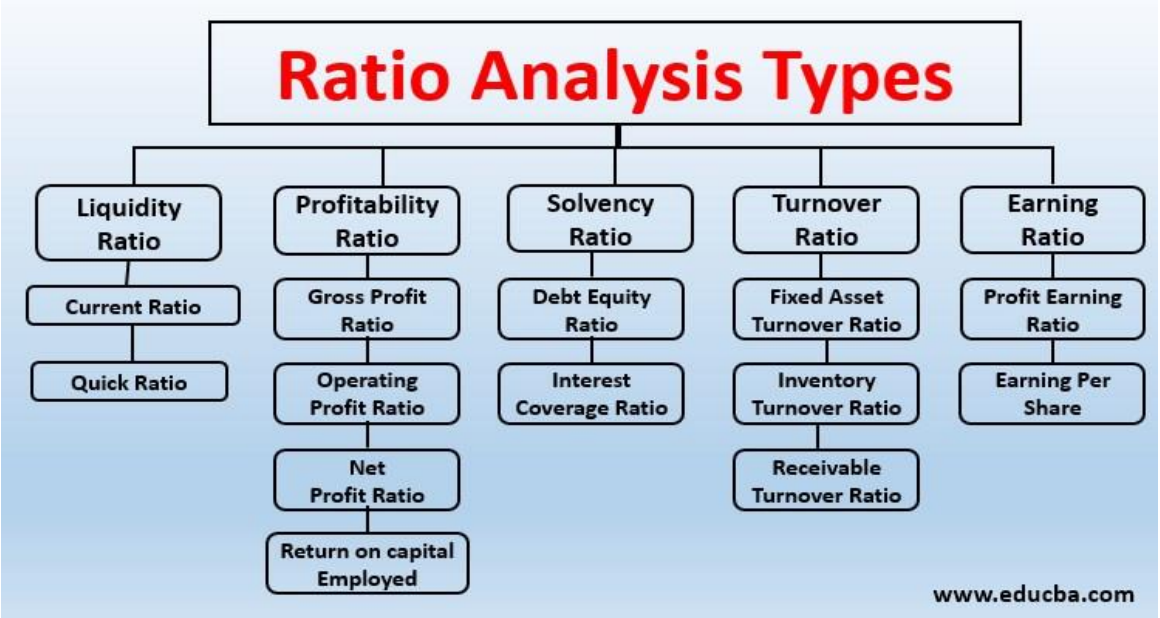
Comparison of past and present results: Financial statements of the previous years can be compared and the trend regarding various expenses, purchases, sales, gross profit and net profit can be ascertained.

Helps in measuring the profitability:

Financial statements show the gross profit, & net profit .Inter-firm comparison: The financial analyses makes it easy to make inter-firm comparison. This comparison can also be made for various time periods. Bankruptcy and Failure: Financial statement analysis is significant tool in predicting the bankruptcy and the failure of the business enterprise. Financial statement analysis accomplishes this through the evaluation of the solvency position

Helps in forecasting: The financial analysis will help in assessing future development by making forecasts and preparing budgets.

List of ratio



Objective of Study :

1.Simplify accounting information.

2.Determine liquidity or Short-term solvency and Long-term solvency. Short-term solvency is the ability of the enterprise to meet its short-term financial obligations. Whereas, Long-term solvency is the ability of the enterprise to pay its long-term liabilities of the business.

3.Assess the operating efficiency of the business.

4.Analyze the profitability of the business.

5.Help in comparative analysis, i.e. inter-firm and intra-firm comparisons.

Scope of Study :

1.The ratio analysis is one of the most powerful tools of financial analysis.

2.The firm is answerable to the owners, the creditors and employees. The firm can reach a number of parties.

3.On the other hand, parties interested in the business can compute ratios based on the financial statements of the firm.

4.The analysis is not restricted to any one aspect but takes into account all aspects such as earning capacity of the firm, financial obligation, liquidity and solvency aspects, liquidity and profitability concepts.

Needs Of Study :

Helps in forecasting and planning by performing trend analysis.

• Helps in estimating budget for the firm by analysing previous trends.

• It helps in determining how efficiently a firm or an organisation is operating.

• It provides significant information to users of accounting information regarding the performance of the business.

• It helps in comparison of two or more firms.

• It helps in determining both liquidity and long term solvency of the firm.

Limitation Of Study :

Some of the most important limitations of ratio analysis include:

1. Historical Information: Information used in the analysis is based on real past results that are released by the company. Therefore, ratio analysis metrics do not necessarily represent future company performance.
2. Inflationary effects: Financial statements are released periodically and, therefore, there are time differences between each release. If inflation has occurred in between periods, then real prices are not reflected in the financial statements.
3. Changes in accounting policies: If the company has changed its accounting policies and procedures, this may significantly affect financial reporting. In this case, the key financial metrics utilized in ratio analysis are altered, and the financial results recorded after the change are not comparable to the results recorded before the change.
4. Operational changes: A company may significantly change its operational structure, anything from their supply chain strategy to the product that they are selling. When significant operational changes occur, the comparison of financial metrics before and after the operational change may lead to misleading conclusions about the company's performance and future prospects.
5. Seasonal effects: An analyst should be aware of seasonal factors that could potentially result in limitations of ratio analysis. The inability to adjust the ratio analysis to the seasonality effects may lead to false interpretations of the results from the analysis.
6. Manipulation of financial statements: Ratio analysis is based on information that is reported by the company in its financial statements. This information may be manipulated by the company's management to report a better result than its actual performance.

COMPANY PROFILE

Name of the concern : HENUS GRANITES [granite supplier]

Address : Ponneri Taluk Tiruvallur, DT, Chennai, Tamil Nadu 600067

Telephone No : 044 – 2759 7900 / 99625 73351

Email : henusgranite@gmail.com

Name of the director : Pugazh Mohan

Year of Establishment : JAN-2006

Activity : Manufacturing as per the customer design in granite Monument memorial and Tombstone

Product capacity : Per Day (approx. billing value Rs. 1,00,000.00)

No.of.Employees : 25 No's

Area : 4500 sq.ft

VISION:

Our Vision is to grow and let our customers flourish. We have visualized to achieve our objectives by discovering the rich natural treasure hidden in the mines and make it accessible to the world of construction and architecture.Henus granite fulfills its vision of growing and succeeding by following its principles strictly without any compromise.

GRANITE INDUSTRIES

INTRODUCTION

Granite is one of the emerging industries of INDIA. According to estimates INDIA has over 297 billion tons of granite reserves and more than 100 types of colours and verities of granite are available in INDIA. This study is about Operations Planning and Control in a Granite Industry.

Granite is a natural igneous rock composed of granular limestone or dolomite, which is crystallized by the influence of heat, pressure and aqueous solutions. This Metamorphic rock can be found in nature with different attractive colors and variegated varieties as well as quality.

Cutting granite has got wide application in the building construction sector and can be processed in industries to produce various kinds of dimension stones. The products of dimension stone processing industries can be used for monuments, interiors decoration, statuary, table tops and novelties. But the principal application of granite is for exterior building works to provide a lasting endurance to walls.

OBJECTIVES

This feasibility study aims at Understanding the Operations Concepts in a Granite Cutting and Polishing.

GRANITE

THE PRODUCT

Granite is a product for decorating walls or interior space of buildings. It is now one of the most essential building materials for the decoration, durability and protection of the buildings.

GRANITE

Granite is igneous rock of visible crystalline formation and texture. It is composed of feldspar (usually potash feldspar and oligoclase) and quartz, with a small amount of mica (biotite or muscovite) and minor accessory minerals, such as zircon, apatite, magnetite, ilmenite, and sphene. Granite is usually whitish or gray with a speckled appearance caused by the darker crystals.

Granite is mainly preferred for its use in the exterior applications including funeral trade.Variety of colours in Granite is traded in the world market with different price tags. High price is fetched for the rare colours including Jet-Black, Pearl Blue and Deep Green. These colours are found in South Africa, Brazil, Norway, India and INDIA.

The specific gravity of Granite ranges from 2.63 to 3.30. Granite has greater strength than sandstone, limestone or Marble and is correspondingly more difficult to quarry. It is an important building stone, and its maximum usage is in the external flooring and facing followed by internal flooring.

MARKET POTENTIAL

The international granite trade was valued at $2.5 billion in 2005, with production of about 19.6 million tons. Italy is the world leader in marble, granite, and stone sector, exporting over 38% of finished material and importing 18% of the world trade. INDIA's production is 1.3 m tons annually, with less than 10% exported (0.03% of world trade in 2002). China, which is physically near the major mining sites in INDIA, is the biggest importer of Raw & Finished marble slabs and tiles (nearly double that of USA) in the world.

OPPORTUNITY RATIONALE

INDIA is bestowed with enormous mineral resources including Marble and Granite. Granite is used for both construction purposes and Handicrafts manufacturing, whereas, Onyx which is a semi-transparent and generally used by handicrafts manufacturing industry.

Availability of high quality Granite reserves in INDIA in great quantities and the demand of its products in the export markets i.e. European Union countries,Central Asian countries etc. make this sector highly attractive. Foreign tourists are the main customers of the products made of marble and onyx and it has reached an

all-time record Rs.763 million in 2004. Formalization of PASDEC (INDIA Stone Development Company) to for development Marble & Granite sector indicates government's interest in this sector which is a positive and encouraging gesture for the investors in this industry.

NATURE OF WORK ON GRANITE

GRANITE OR SILICEOUS STONE

Because of its uniform texture and hardness, Granite is preferred for external use. It is more durable as compared to Marble and is economical in maintenance. Granite does not need re-polishing once it is polished and fixed at the desired place, while Marble needs polishing every year or at least once in two years. The granular formation and compactness of Granite makes it non-porous and non- absorbent hence more hygienic for the use in laboratories, kitchen, washrooms and other water exposed areas. Uniformity in texture gives better look to Granite and is thus convenient in its application at the desired place. Majority of the cities located closer to the sea, provide greater markets for Granite as it can withstand the weather effects (moisturizing) better than Marble. Usage of Granite in special work, mainly involved in the making and fabrication of sculptures, decoration items etc. is lower as compared to Marble. This is simply because Granite is a harder material to work on due to its compaction and silica contents.

GRANITE INDUSTRY IN INDIA

Size of the Industry - 100 manufacturers in India for Granites and there are also a few trading companies.

Geographical distribution - Tamil Nadu. Andhra Pradesh, Karnataka, Maharashtra, Assam, Bihar, Rajasthan, Odisha, Meghalaya and Madhya Pradesh.

Output per annum - The total industry size is estimated to be approximately US $ 85 million.

Market capitalization - An average container has a price of USS 18000 to USS 24000, depending on the materials used and the complexity of the designs, thus the total industry size is estimated to he approximately US $ 85 million

Granite industry in India is severely impacted by restrictive import policy on natural stones and is unable to compete with China and other countries. The industry has requested the government to place the granite industry under the Open General License (OGL) list to facilitate smooth export and re-export granite.

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India leads in production of natural stones with 35.342 million tonnes (27.91 per cent share), followed by China (31,000 million tonnes 23.48 per cent). but India lags behind when it comes to exports, China exported 16 million tonnes of stone valued at $3.04 billion in 2010 as against India's export figures of about $600 million.

Size of the industry

There are 100 manufacturers in India for Granites and there are also a few trading companies. In the last 5 years the capacity of these companies has increased by about 10% annually, suggesting a certain stability and sustainability. Big companies are considered to be those that have the capacity of manufacturing seven or more containers per month- and there are about 20 such companies. On an average about 75 workers are employed in a company. Total the direct employment in the Indian Granite industry is about 10000 people. Indirect employment comes to another 10000 people. About 80% of the manufacturers are located in the state of Tamil Nadu while the rest are located in the neighbouring states of Karnataka and Andhra Pradesh. The entire gravestone industry is located in the south of the country which is where most of the granite quarries are to be found.

Total contribution to the economy/ sales

Total Granite production in the Indian industry is estimated to be about 350 to 400 containers a month. (A curious unit - when referring to blocks the normal term used is cubic metres, in slabs, the measurement unit is square metres or square feet, while in the gravestones the reference point tends to be containers). As mentioned before, the entire production is exported. Presently about 180 to 200 containers are exported to Europe, approximately 50 containers a month are exported to United States, 40 containers to Japan while the rest are sent to Australia, New Zealand, South Africa and other countries. The months of November, December and most of January are considered to be the low season when monthly production drops to about half. An average container has a price of US$ 18000 to USS 24000, depending on the materials used and the complexity of the designs, thus the total industry size is estimated to be approximately US $ 85 million.

Domestic and Export Share

Granite importing countries such as the US, China, Italy have reduced their requirements. India's granite and natural stone exports could be down by 15-20 per cent per year according to CAPEXII. (formerly Chemicals & Allied Products Export Promotion Council).

History

India is one among the leading countries in mining and export of granite and is rich in granite reserves. Geologically, the southern and eastern belts of the Nation are abundant in granite deposits. Different shades of granites are available in abundance in Tamil Nadu, Andhra Pradesh, Karnataka, Maharashtra, Assam, Bihar, Rajasthan. Odisha, Meghalaya and Madhya Pradesh, Indian Granite Stone has become the most sought-after and extensively used stone material in building construction and massive structural works throughout the world, and it is well known in the International market, not only for its elegance and aesthetic quality, but also for its durability.

The Granite Industry has received a wider publicity and corporate importance in the last few years. The industry is emerging now as a thrust-export-area with several corporate houses, supported by expert professionals trained in all aspects, entering the sector with sophisticated world-class machinery and making it an organized one. Many overseas buyers, including the Japanese, are the regular importers of the Jet Black Material, which is considered to be the world's best variety and is found in abundance in Tamil Nadu, Andhra Pradesh and Karnataka. Bu they have, of late, lost confidence in the supply of materials owing to its interrupted schedule. This was because of inconsistent policies of the Governments towards the industry, together with political interference in mining lease and other procedures.

India is one of the leading nations in the production and export of Granite and other stones. Granite is a very hard crystalline, igneous or metamorphic rock primarily composed of feldspar, quartz and lesser amounts of dark minerals. India has vast resources of granite with about 110 varieties of different colours and textures such as black, grey, pink, multi coloured, etc. These varieties are used to produce monuments, building slabs, titles, surface plates etc. However, popular varieties are mainly found in South India.

CHAPTER -II

REVIEW OF LITERATURE

Some important research works undertaken in recent years which are very closely connected with the present study are reviewed.

• **Sharma Nishi (2011)** studied the financial performance of passenger and commercial vehicle segment of the automobile industry in the terms of four financial parameters namely liquidity, profitability, leverage and managerial efficiency analysis for the period of decade from 2001-02 to 2010-11. The study concludes that profitability and managerial efficiency of Tata motors as well as Mahindra & Mahindra ltd are satisfactory but their liquidity position is not satisfactory. The liquidity position of commercial vehicle is much better than passenger vehicle segment.

• **Zafar S.M.Tariq & Khalid S.M (2012)** the study explored that ratios are calculated from financial statements which are prepared as desired policies adopted on depreciation and stock valuation by the management. Ratio is simple comparison of numerator and a denominator that cannot produce complete and authentic picture of business. Results are manipulated and also may not highlight other factors which affect performance of firm by promoters.

• **Ray Sabapriya (2012)** studied the sample of automobile companies to evaluate the performance of industry through indicators namely sales, production and export trend etc for period of 2003-04 to 2009-10. The study finds that automobile industry has been passing through disruptive phases by over debt burden, under utilization of assets and liquidity instability. The researcher suggested to improving the labour productivity, labour flexibility and capital efficiency for success of industry in future.

• **Dawar Varun (2012)** Study to analyze the effect of various fundamental corporate policy variables like dividend, debit, capital expenditure on stock prices of automobile companies of India. The study tends that dividend & investment policy are relevant and capital structure irrelevant to stock prices.

• **Mistry Dharmendra S. (2012)** understood a study to analyze the effect of various determinants on the profitability of the selected companies. It concluded that debt equity ratio, inventory ratio, total assets were important determinants which effect positive or negative effect on the profitability. It suggerted to improve solvency as to reduce fixed

financial burden on the company profit & give the benefit of trading on equity to the shareholders.

• **Murlidhar, A. Lok Hande & Rana Vishal S. (2013)** the author tries to evaluate the performance of Hyundai Motors Company with respect to export, Domestic Sales, productions and profit after tax. For this purpose, the pie chart and bar graph are used to show the performance of company various years.

• **Dharmaraj, A.and Kathirvel N. (2013)** explored an overview of new industrial policy act 1991, which allow 100 percent foreign direct investment. An attempt is made to find out the effect of FDI on financial performance of automobile industry. It is concluded that the liquidity ratios shows minor changes and profitability shows an increasing trend during post FDI when compared to pre FDI. Post FDI efficiency ratio shows that companies are efficiently utilizing the available resources.

• **Rapheal Nisha (2013)** the author tries to evaluate the financial performance of Indian tyre industry. The study was conducted for period 2003-04 to 2011-12 to analyze the performance with financial indicators, sales trend, export trend, production trend etc. The result suggests the key to success in industry is to improve labour productivity and flexibility and capital efficiency.

• **Hotwani Rakhi (2013)** the author examines the profitability position and growth of company in light of sales and profitability of Tata Motors for past ten years. Data is analyzed through rations, standard deviations and coefficient of variance. The study reveals that there not exists a strong relationship between sales & profitability of company.

• **Daniel A. Moses Joshunar (2013)** the study has been conducted to identify the financial strength and weakness of the Tata motors Ltd. using past 5 year financial statements. Trend analysis & ratio analysis used to comment of financial status of company. Financial performance of company is satisfactory and also suggested to increase the loan levels of company for the better performance.

• **Dhole Madhavi (2013)** Investing the impact of price movement of share on selected company performance. It advise due investors consider various factors before choosing the better portfolio. Sentimental factors do play a role in price movement only in short term but in long run annual performance is sole factor responsible for price movement.

• **Buvaneswari .R & Kanimozhi (2014)** to study the credit worthiness of selected firms in Indian car industry, tiruchy. Professor Edward Altman of New York University developed method Z score analysis to predict the company failure or bankruptcy. To measure the fiscal fitness of a company combined a set of five financial ratios.

• **Idhayajothi, R et al (2014)** the main idea behind this study is to analyze the financial performance of Ashoka Leyland ltd. at Chennai. The result shows that financial performance is sound and also suggested to improve financial performance by reducing the various expenses.

• **Huda Salhe Meften & Manish Roy Tirkey (2014)** have studied the financial analysis of Hindustan petroleum corporation ltd. The study is based on secondary data. The company has got excellent gross profit ratio and trend is rising in with is appreciable indicating efficiency in production cost. The net profit for the year 2010-11 is excellent & it is 8 times past year indicating reduction in operating reduction in operating expenses and large proportion of net sales available to the shareholders of company.

• **Srivastava Anubha (2014)** Data analysis has been done using the top down approach ,i.e. Economic analysis, industry analysis, company and technical analysis to find relationship between automobile sector index with market index. Mahindra and Mahindra have a great position on the stock market and will attract investor and this could lead to expansion and growth. Thus Tata motors and Maruti Suzuki need to take care of their stock and expansion.

• **Sarangi Pradeepta K et al (2014)** undertook a study to forecast the future trend of automobile industry. The study highlighted the six different experiments have been carried out for period of 12 years data to estimate values for next 3 years. In each experiment graph has been plotted using spreadsheet and then linear trend has been drawn and expanded to calculate future values.

• **Kumar Sumesh & Kaur Gurbachan (2014)** Automobile sector is the dominant player in economy of world. After liberalization Indian automobile industry has emerged as a major contributor to India's GDP. The study identified that there is no significant in the means score of various financial ratios of Maruti Suzuki and Tata motors but in meeting their long term obligations and efficacy of utilizing the assets show the significant difference in the efficiency of both the firms.

• **Krishnaveni, M. & Vidya, R. (2015)** find that Indian automobile industry is a high flying sector these days and emerging as an export hub in wake of liberalisation and globalization. This paper revises the category wise production, sales and exports of automobile industry in India. Industry growth can be viewed in term of pre and post liberalization. As government allows 100 percent FDI, increase 15% in customs duty on cars and MUVs to encourage local manufacturer and concessional import duty on specified parts of hybrid vehicles**.**

CHAPTER - III

RESEARCH METHODOLOGY

Introduction:

Research Design In view of the objects of the study listed above an exploratory research design has been adopted. Exploratory research is one which is largely interprets and already available information and it lays particular emphasis on analysis and interpretation of the existing and available information.

ANALYTICAL DESING IN RESEARCH :

Analytical study designs can be either experimental or observational. In experimental studies, researchers manipulate something in a population of interest and examine its effects. These designs are used to establish a causal link between two variables.

A study design is critical to your research study because it determines exactly how you will collect and analyze your data. If your study aims to study the relationship between two variables, then an analytical study design is the right choice.

But how do you know which type of analytical study design is best for your specific research question? It's necessary to have a clear plan before you begin data collection. Lots of researchers, sadly, speed through this or don't do it at all.

Analytical study designs can be experimental or observational and each type has its own features. In this article, you'll learn the main types of designs and how to figure out which one you'll need for your study.

When are analytical study designs used?

A study design is a systematic plan, developed so you can carry out your research study effectively and efficiently. Having a design is important because it will determine the right methodologies for your study. Using the right study design makes your results more credible, valid, and coherent.

Data Collection Methods

Primary Data

Information collected from internal guide and finance manager. Primary data is first hand information.

Secondary Data

Company balance sheet and profit and loss account. Secondary data is second hand information.

Data Collection Tools

To analyze the data acquire from the secondary sources "Ratio Analysis "The scope of the study is defined below in terms of concepts adopted and period under focus.
First the study of Ratio Analysis is confined only to the southcoodisha.

Secondly the study is based on the annual reports of the organization for a
Period of 4 years from 2013-14 to 2016-17 the reason for restricting the study
To this period is due time constraint

Past Ratios: Ratios calculated from the past financial statements of the same firm.

Competitor's Ratios: Ratios of some selected firms, especially the most
Progressive and successful competitor at the same point in time.

Industry Ratios: Ratios of the industry to which the firm belongs.
Projected Ratios: Ratios developed using the projected financial statements of
The same firm.

FORMULA :

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

$$\text{Quick ratio} = \frac{\text{Current assets} - \text{inventories}}{\text{Current liabilities}}$$

$$\text{Cash ratio} = \frac{\text{Cash and bank balance}}{\text{Current liabilities}}$$

$$\text{Debt equity ratio} = \frac{\text{Long term debts}}{\text{Shareholders' funds (equity)}}$$

$$\text{Debt ratio} = \frac{\text{debt}}{\text{equity}}$$

$$\text{Interest coverage ratio} = \frac{\text{EBIT}}{\text{interest}}$$

$$\text{Proprietary ratio} = \frac{\text{Net worth}}{\text{Total tangible assets}} \times 100$$

$$\text{Capital gearing ratio} = \frac{\text{Equity capital}}{\text{P.S capital + debentures + loans}}$$

$$\text{Total asset turnover ratio} = \frac{\text{sales}}{\text{Capital employed}}$$

$$\text{Working capital turnover ratio} = \frac{\text{sales}}{\text{Working capital}}$$

$$\text{Fixed asset turnover ratio} = \frac{\text{Net sales}}{\text{Net fixed asset}}$$

$$\text{Stock turnover ratio} = \frac{\text{Cost of goods sold}}{\text{Average stock}}$$

$$\text{Average stock} = \frac{\text{Opening stock + closing stock}}{2}$$

$$\text{Net working capital ratio} = \frac{\text{Net working capital}}{\text{Net assets}}$$

$$\text{Current asset turnover ratio} = \frac{\text{sales}}{\text{Current assets}}$$

CHAPTER - IV

DATA ANALYSIS AND INTERPRETATION

A.LIQUIDITY RATIOS

1.CURRENT RATIO:

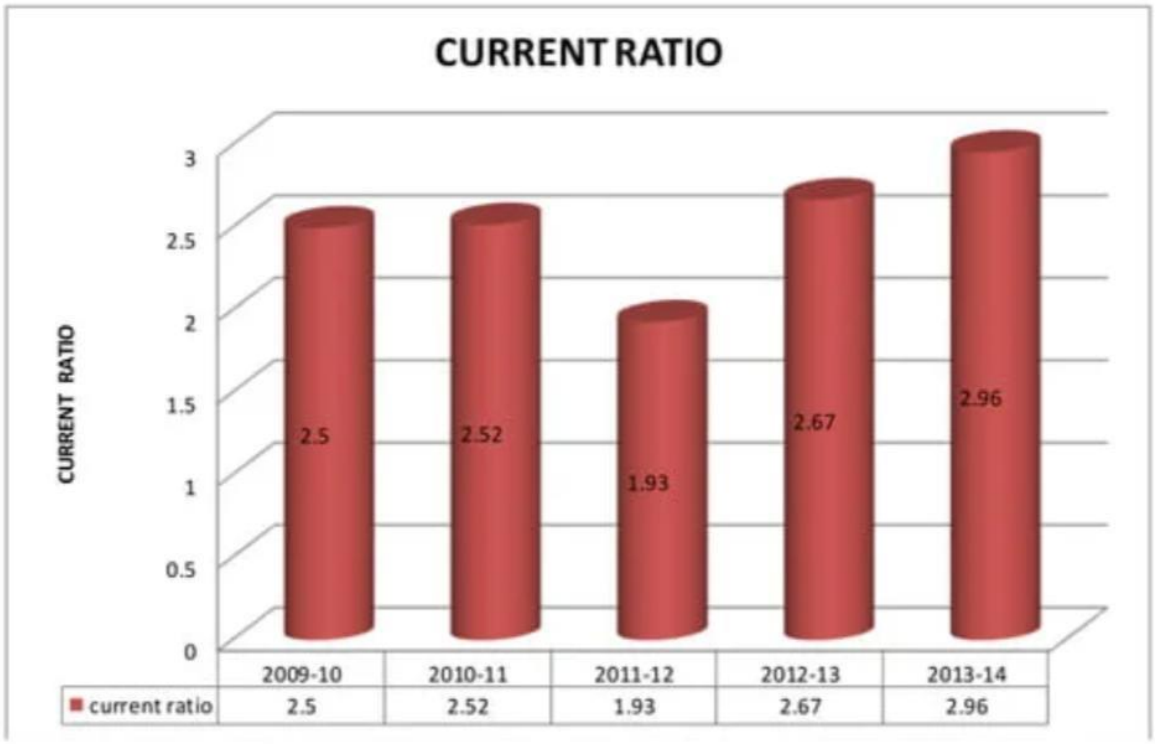
Current ratio is an acceptable measure of firm's short-term solvency Current assets includes cash within a year, such as marketable securities, debtors and inventors. Prepaid expenses are also included in current assets as they represent the payments that will not made by the firm in future. All obligations maturing within a year are included in current liabilities. These include creditors, bills payable, accrued expenses, short-term bank loan, income-tax liability in the current year. The current ratio is a measure of the firm's short term solvency**.**

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

Table 1

YEARS	CURRENT ASSETS	CURRENT LIABILITIES	CURRENT RATIO
2009	2,55,923.00	48,561.00	2.5
2010	8,12,210.49	65,487.00	2.52
2011	7,55,245.45	71,647.00	1.93
2012	6,63,089.97	51,647	2.67
2013	10,32,460.88	61,647	2.96

CHART: 1: CURRENT RATIO



INTERPRETATION:

The standard norm for current ratio is 2:1. During the year 2017 the current ratio is 0.73 and During the year 2018 the ratio is 0.76 and it has increased to 0.86 during the year 2019 and increased to 0.88 in 2019-20 and it is decreased to 0.81 in the year 2020 and it has decreased to 0.81in the year 2021. The ratio above was standard except in the year 2019. So the ratio was satisfactory.

2. QUICK RATIO

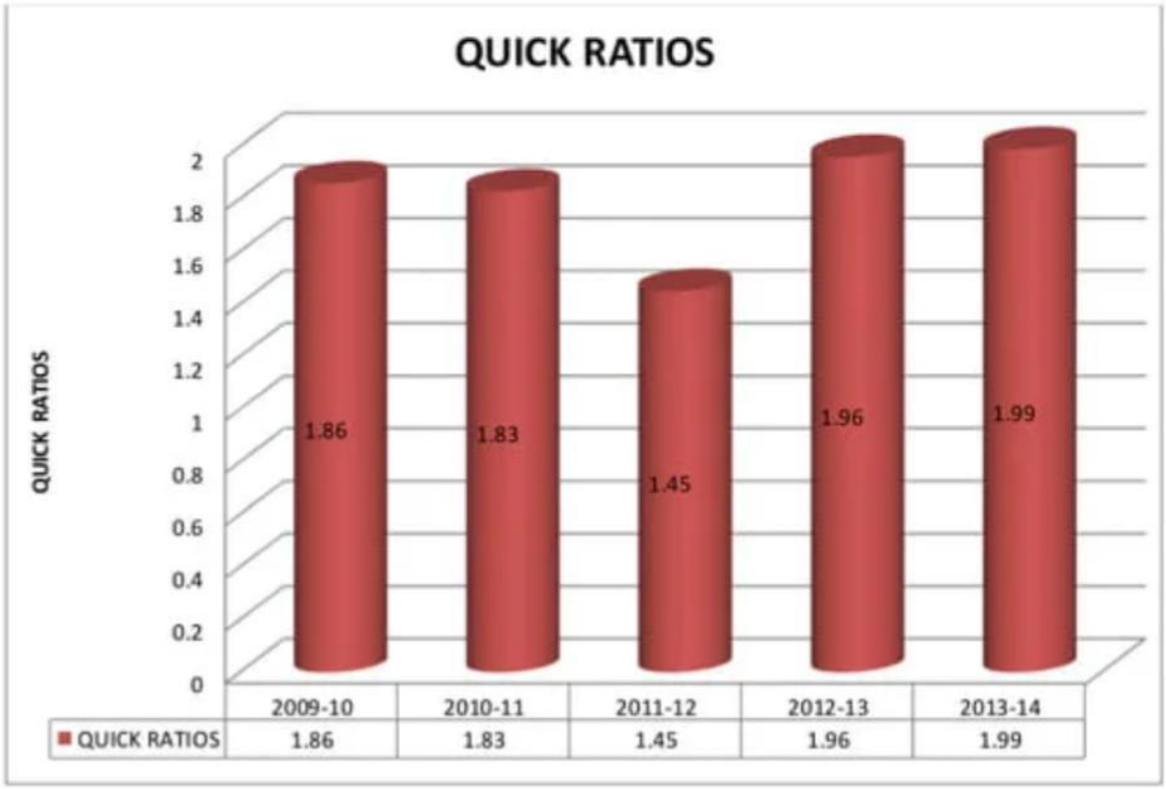
Quick ratio establishes a relationship between quick, or liquid, assets and current liabilities. An asset is liquid if it can be converted into cash immediately or reasonably soon without a loss of value.

$$\text{Quick ratio} = \frac{\text{Current assets - inventories}}{\text{Current liabilities}}$$

Table 2

YEARS	QUICK RATIO	CURRENT LIABILITIES	QUICK RATIO
2009	1,75,859	48,561.00	1.86
2010	7,40,153	65,487.00	1.83
2011	6,80,403.67	71,647.00	1.45
2012	6,14,723.31	51,647.00	1.96
2013	9,79,930.89	61,647	1.99

CHART 2: QUICK RATIO



INTERPRETATION:

The standard form of a quick ratio is 1:1. Quick ratio is decreased in the year 2010 to 1,83 from 2.45. Then, it decreased to 1.45 in the year 2011. And it has increased to 1.96 in the year 2012 and then it increased to 1.99 in the year 2013-14.however the ratio is more than the standard norms so it is satisfactory.

3.NET PROFIT RATIO:

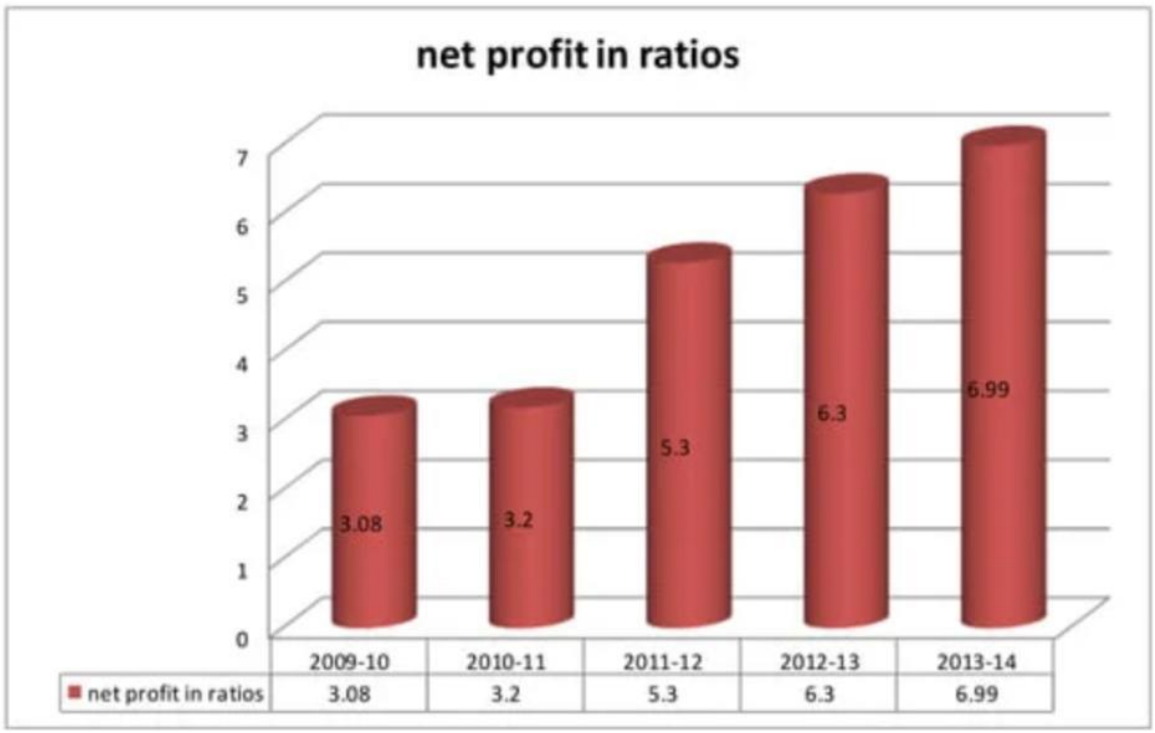
This ratio also indicates the firm's capacity to with stand adverse economic conditions. A firm with a high net margin ratio would be in an advantageous position to survive in the face falling selling prices, rising costs of production or declining demand for the product.

$$\text{Net profit ratio} = \frac{\text{Net income}}{\text{Net sales}} \times 100$$

Table 3

YEARS	NET PROFIT	NET SALES	PROFIT RATIO
2009	3,81,264	13,68,541	3.08
2010	8,66,219.79	14,35,458	3.2
2011	6,56,901.70	12,35,458	5.3
2012	5,45,122	11,54,845	6.3
2013	8,70,488	15,87,957	6.99

GRAPH 3: NET PROFIT RATIO:



INTERPRETATION:

During the year 2010 the net profit margin is 3.08 it suddenly increased to 3.2% in the year 2011 because of decreased in administration and selling expenses. In the next year, it again increased to 5.3 in the year 2012 and it again increased to 6.3 in 2013 and to 6.99 in the year 2014.

4. CASH RATIO

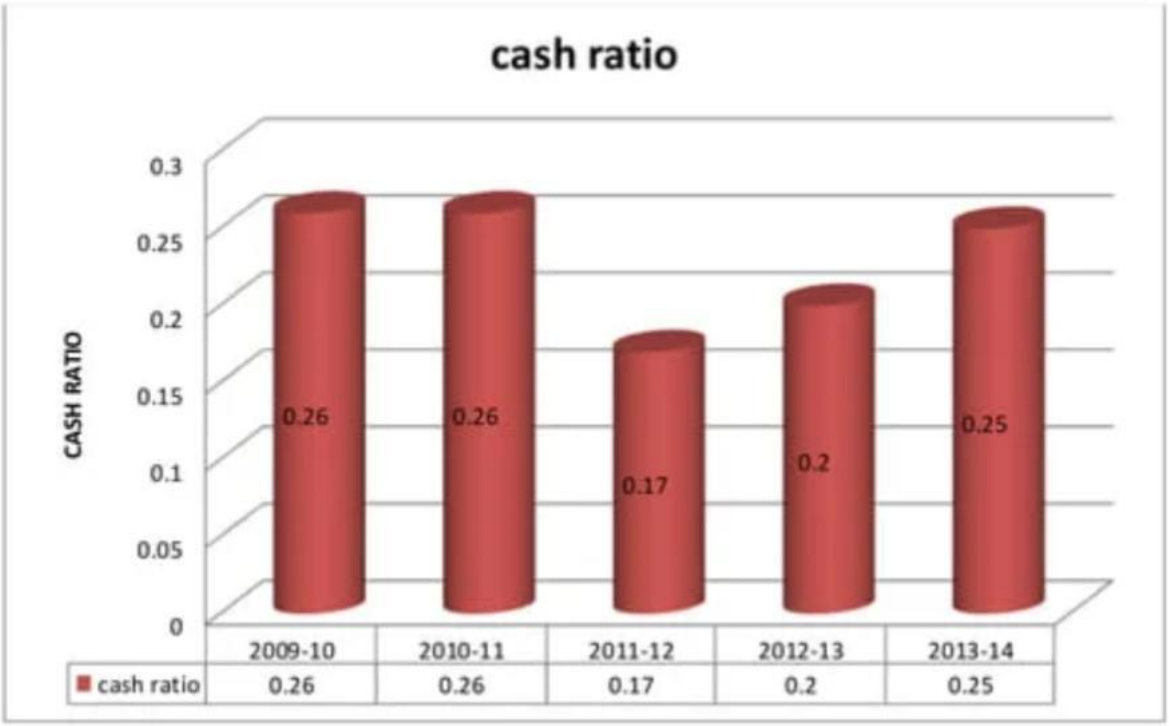
Cash ratio is the ratio between cash plus marketable securities and current liabilities.

$$\text{Cash ratio} = \frac{\text{Cash and bank balance}}{\text{Current liabilities}}$$

Table 4 cash ratio

YEAR	Cash +bank +marketable securities	Current liabilities	Cash ratio
2009-10	169,120,500	638,910,250	0.26
2010-11	169,121, 827	638,958,266	0.26
2011-12	205,212,363	1,181,003,846	0.17
2012-13	256,000,280	1,312,272,610	0.20
2013-14	511,453,739	2,020,744,952	0.25

CHART 4: CASH RATIO:



INTERPRETATION:

In all the above years the absolute quick ratio is very low. The standard norm for absolute quick ratio is 12 the company is failed in keeping sufficient Cash & Bank Balances and Marketable Securities

5.DEBT EQUITY RATIO

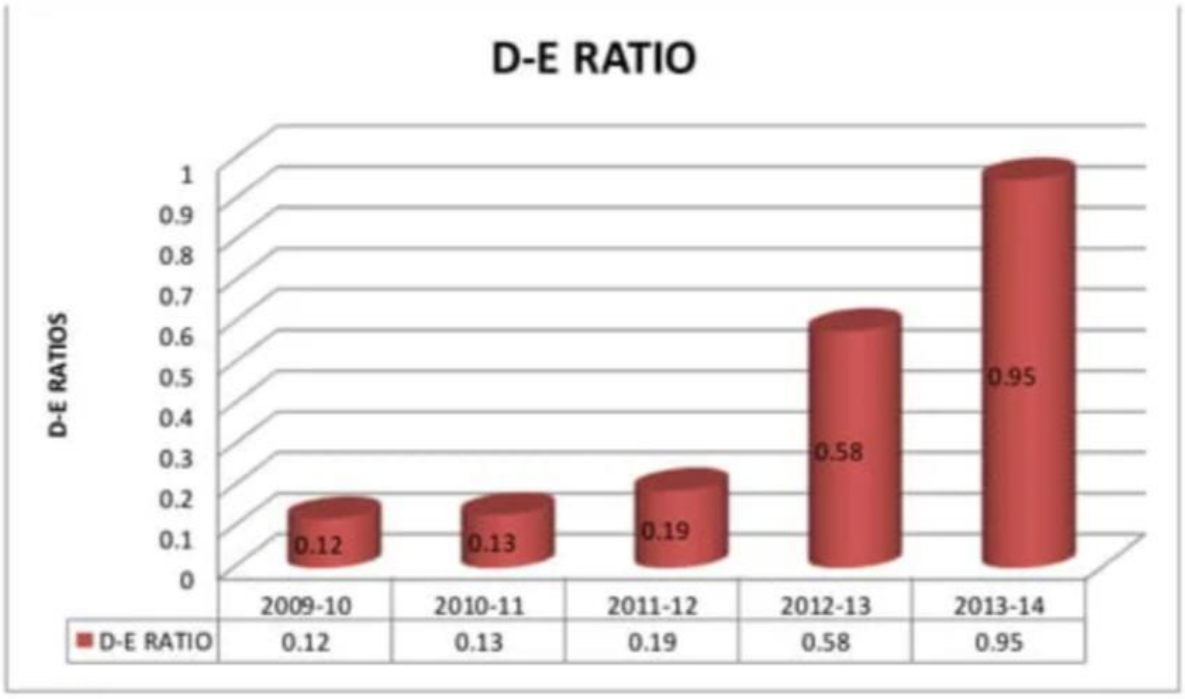
Debt equity ratio indicates the relationship describing the lenders contribution for each rupee of the owner's contribution is called debt- equity ratio. Debt equity ratio is computed by dividing Long term Liabilities divided by Equity. Lower debt-equity ratio higher the degree of protection. A debt-equity ratio of 2:1 is considered ideal

$$\text{Debt ratio} = \frac{\text{debt}}{\text{equity}}$$

Table 5 Debt equity ratio

year	Long terms debts	Equity capital	Debt-equity ratio
2009-10	232,100,550	1,804,550,420	0.12
2010-11	233,058,880	1,806,848,650	0.13
2011-12	378,672,427	2,012,852,920	0.19
2012-13	1,407,083,880	2,436,657,677	0.58
2013-14	3,162,620,560	3,331,014,470	0.95

Chart 5 debt equity ratio



INTERPRETATION:

The ratio gives results relating to the capital structure of a firm. Debt equity ratio is 0.09 in the year 2010 and it increased to 0.13 & 0.19 in the year 2011 and 2012. In the year 2013 & 2014 the ratio has increased to 0.5 8 & 0.95. We can conclude that the company depends on the debt fund is increasing

6.INTEREST COVERAGE RATIO

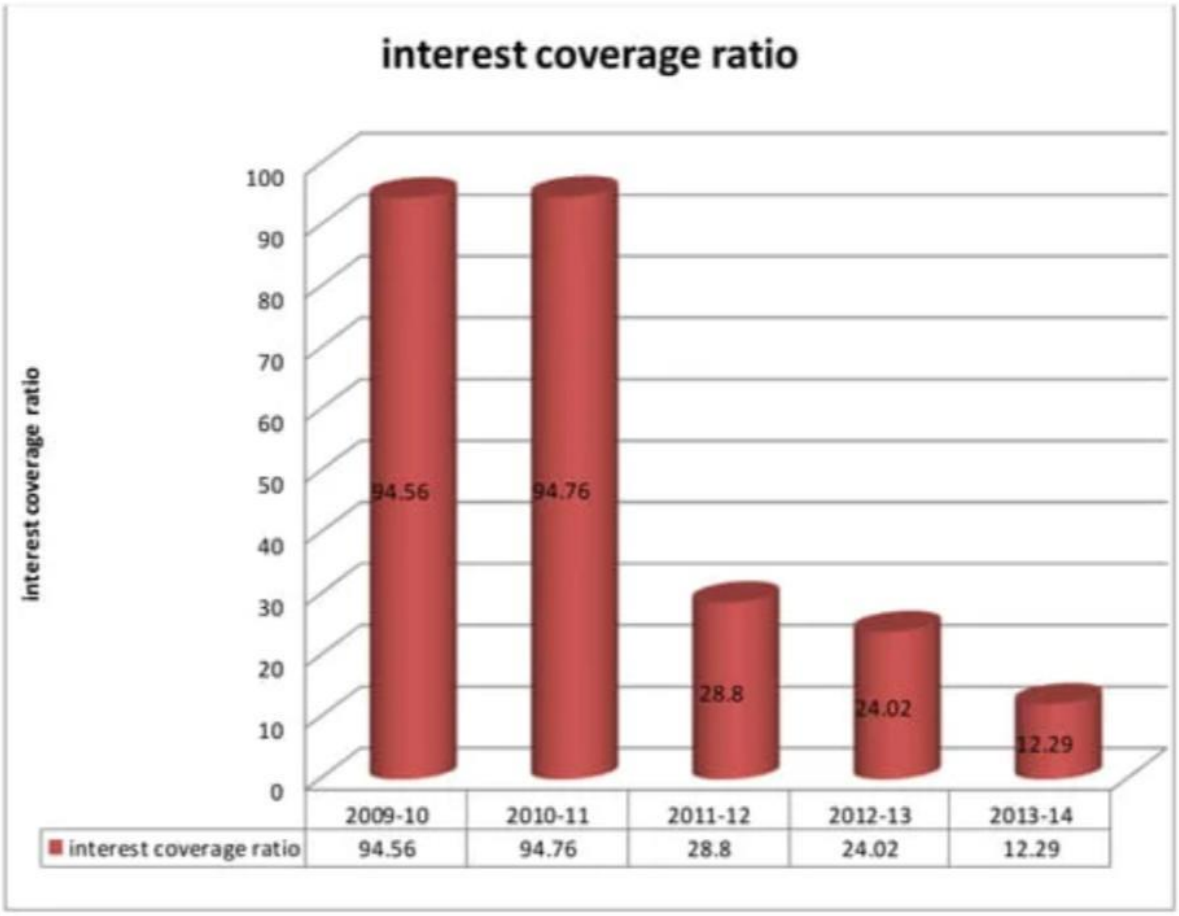
The ratio shows the number of times the interest charges are covered by funds.That are ordinarily available for their payment.

$$\text{Interest coverage ratio} = \frac{\text{EBIT}}{\text{interest}}$$

TABLE 1: INTEREST COVERAGE RATIO

YEAR	EBIT	INTEREST	INTEREST COVERAGE RATIO
2009-10	136,750,450	1,446,430,4	94.54
2010-11	137,259,583	1,448,42754	94.76
2011-12	386,899,738	1,3435,515	28.80
2012-13	742,908,741	3,0924,293	24.02
2013-14	1 ,588,690,299	129,308,874	12.29

CHART 6: INTEREST COVERAGE RATIO:



INTERPRETATION:

Interest coverage ratio is 07.56 in the year 2009. It is increased automatically to 94.76 in the year 2010. But, it is decreased to 28.80 in the year 2011 and decreased to 24.02 in the year 2012 and it again decreased to 12.29 in the year 2013-14. In this position outside investors is interested to invest the money in this company.

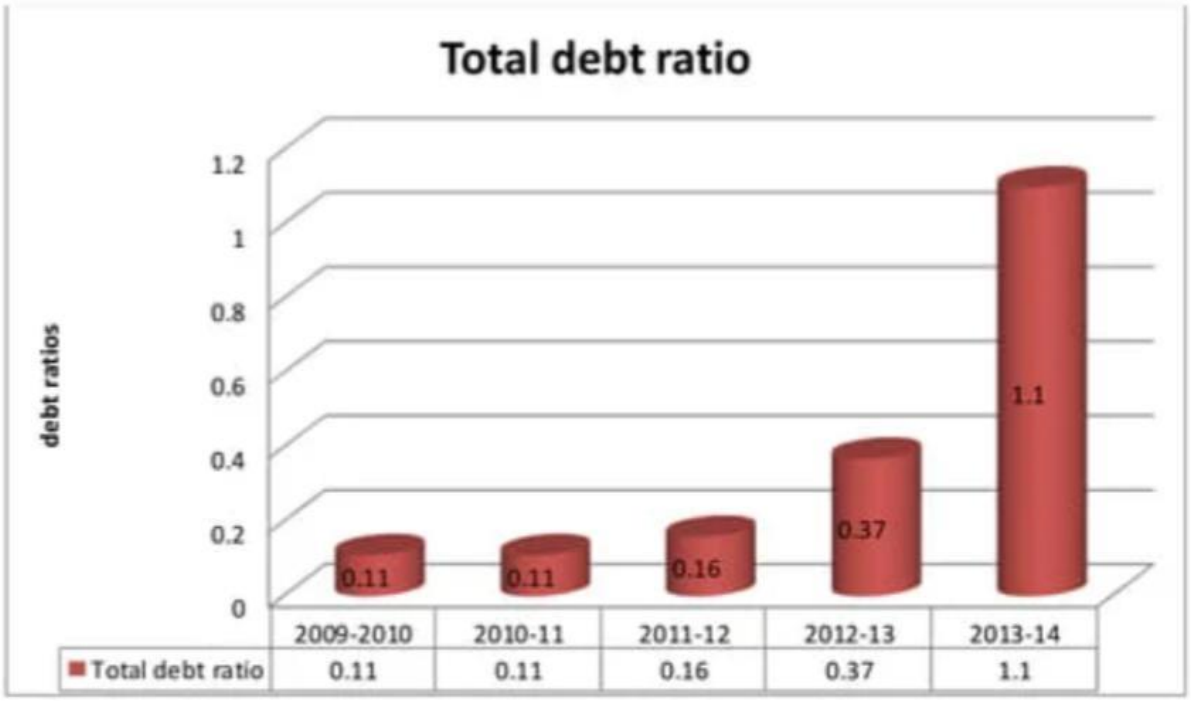
7.TOTAL DEBT RATIO:

$$\text{Total debt ratio} = \frac{\text{Total debt}}{\text{Total debt + Net worth}}$$

TABLE 7: TOTAL DEBT RATIO

year	Total debt	Total debt+ net worth	Total debt ratio
2009-10	232,111,700	2,035,900,500	0.11
2010-11	233,058,880	2,039,907,551	0.11
2011-12	378,672,427	2,391,525,347	0.16
2012-13	1,407,083,880	3,843,741,557	0.37
2013-14	3,162,620,560	3,493,635,030	1.10

CHART 7: TOTAL DEBT RATIO :



INTERPRETATION:

This ratio gives results relating to the capital structure of a firm Debt ratio is 0.08 in the year 2010 à increased to 0.11 & 0.16 in the corresponding years 2011 & 2012. Again it is increased to 0.37 & 1.10 in the year 2013& 2014. From the above in fluctuating trend we can conclude that the company's dependence on debt is increasing. It is not better position in collection of debt.

8.PROPRIETORY RATIO:

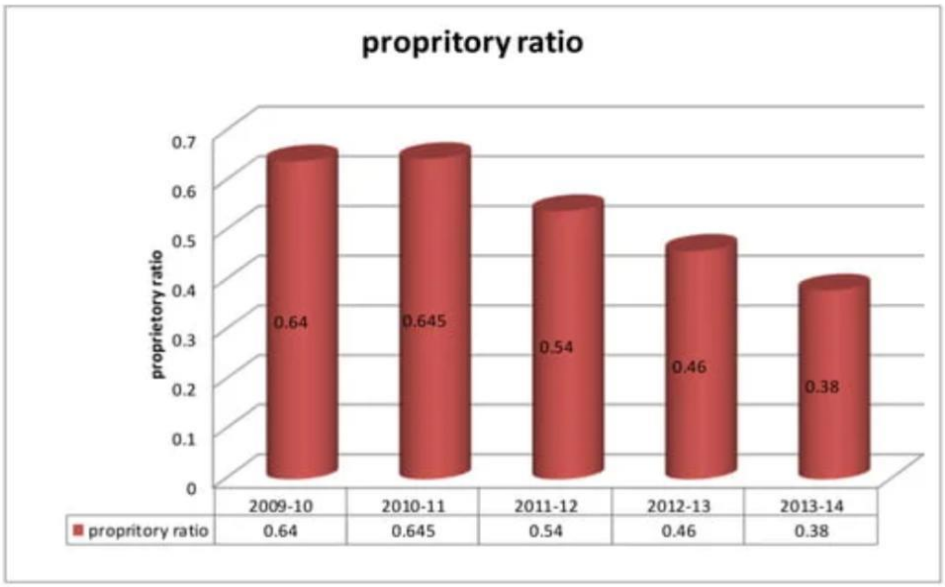
This ratio indicates the extent to which the total assets of the entity are financed by proprietary funds.

$$\text{Proprietary ratio} = \frac{\text{Net worth}}{\text{Total tangible assets}} \times 100$$

TABLE : PROPRITORY RATIO:

year	Net worth	Total asset	Proprietary ratio
2009-10	1,804,846,650	2,805,770,200	0.64
2010-11	1,806,848,671	2 ,809,793,132	0.64
2011-12	2,012,852,920	3 ,692,541,508	0.54
2012-13	2,436,657,677	5 ,292,107,128	0.46
2013-14	3,331,014,470	8 ,683,886,037	0.38

GRAPH : PROPRIETORY RATIO:



INTERPETATION:

The funds financed by the proprietaries in the total funds are continuously decreased from year 2010 to 2014.

3.ACTIVITY RATIO:

A.INVENTORY TURNOVER RATIO

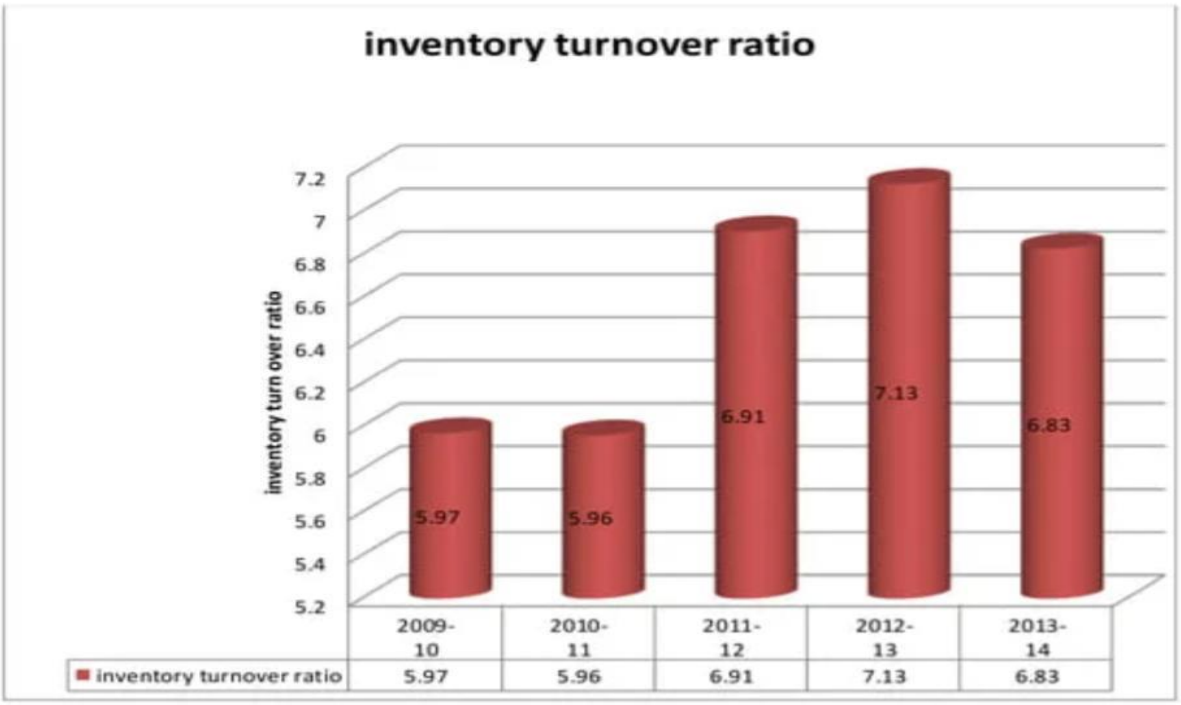
It indicates the firm efficiency of the firm in producing and selling its product. It is Calculated by dividing the cost of goods sold by the average inventory.

$$\text{Iventory turnover ratio} = \frac{\text{Cost of goods sold}}{\text{Average inventory}}$$

CHART : INVENTORY TURNOVER RATIO:

YEAR	COST OF GOODS SOLD	AVERAGE INVENTORY	INVENTORY TURNOVER RATIO
2009-10	2,218,490,920	371,098,120	5.97
2010-11	2,228,549,828	374,102,223	5.96
2011-12	3,499,805,230	506,460,567	6.91
2012-13	5,324,665,192	746,837,818	7.13
2013-14	9,782,463,974	1,432,524,559	6.83

GRAPH : INVENTORY TURNOVER RATIO:



INTERPRETATION:

Inventory turnover ratio is 5.57 Times in the year 2009. But, it is increased to 5.96 in the Year 2010. Then, it is increased to 6.91 in the year 2011 and again increased to 7.13 in the year 2012. But, it is decreased to 6.83 in the year 2013-14. Inventory turnover ratio increased for year Year that is company production is also increased. Subsequently sales are also increased.

B. DEBTORS TURNOVER RATIO:

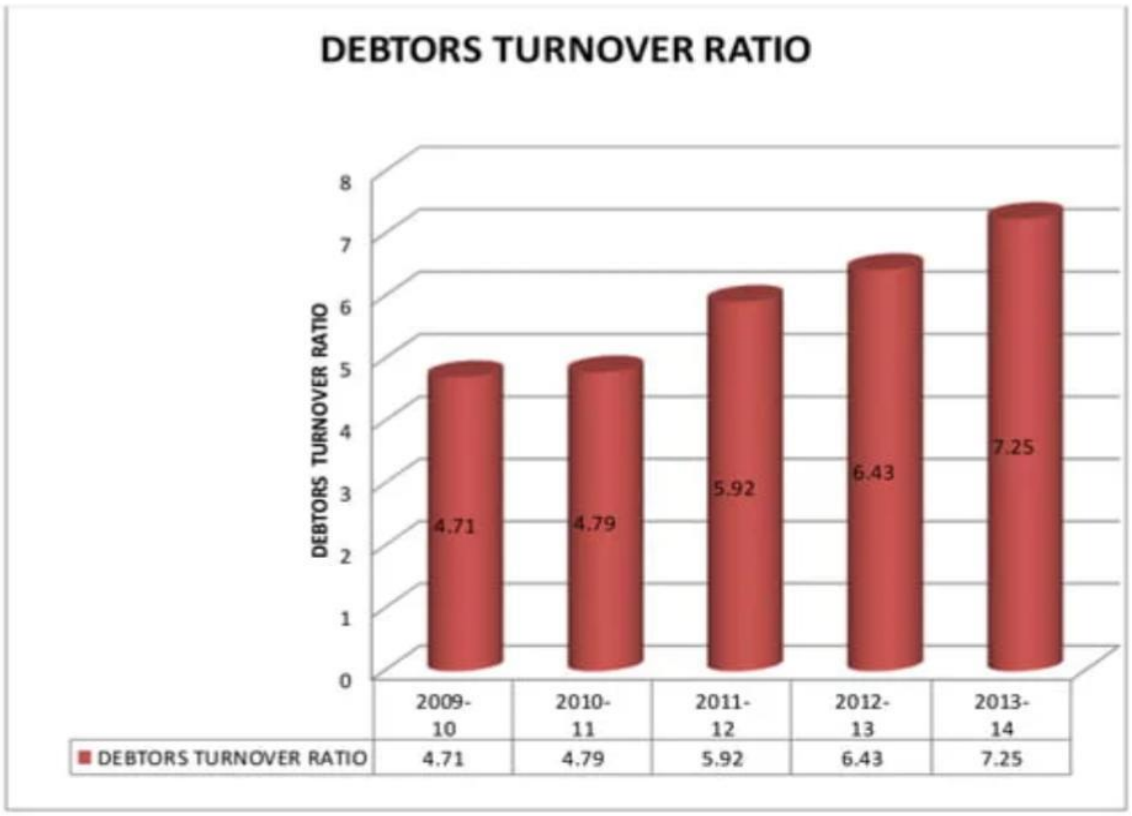
It is found out by dividing the credit sales by average debtors. Debtor's turnover indicates the Number of times debtor's turnover each year.

$$\text{Debtors turnover ratio} = \frac{\text{Sales}}{\text{Average debtors}}$$

TABLE : DEBTORS TURNOVER RATIO:

year	sales	Average debtors	Debtors turnover ratio
2009-10	2,596,350,100	550,720,552	4.71
2010-11	2,685,436,096	560,689,881	4.79
2011-12	4,458,29 5,779	753,113,338	5.92
2012-13	7,451,03 2,998	1 ,158,032,767	6.43
2013-14	13,499,867,499	1 ,862,113,498	7.25

GRAPH : DEBTORS TURNOVER RATIO:



INTERPRETATION:

Debtor's turnover ratio is 4.71 times in the year 2010 and it is increased to 4.79 times in the year 2011 and increased to 5.92 times in the year 2012 and it increased to 6.43 times &7.25 times in the years 2013 &2014.

C. FIXED ASSET TURNOVER RATIO

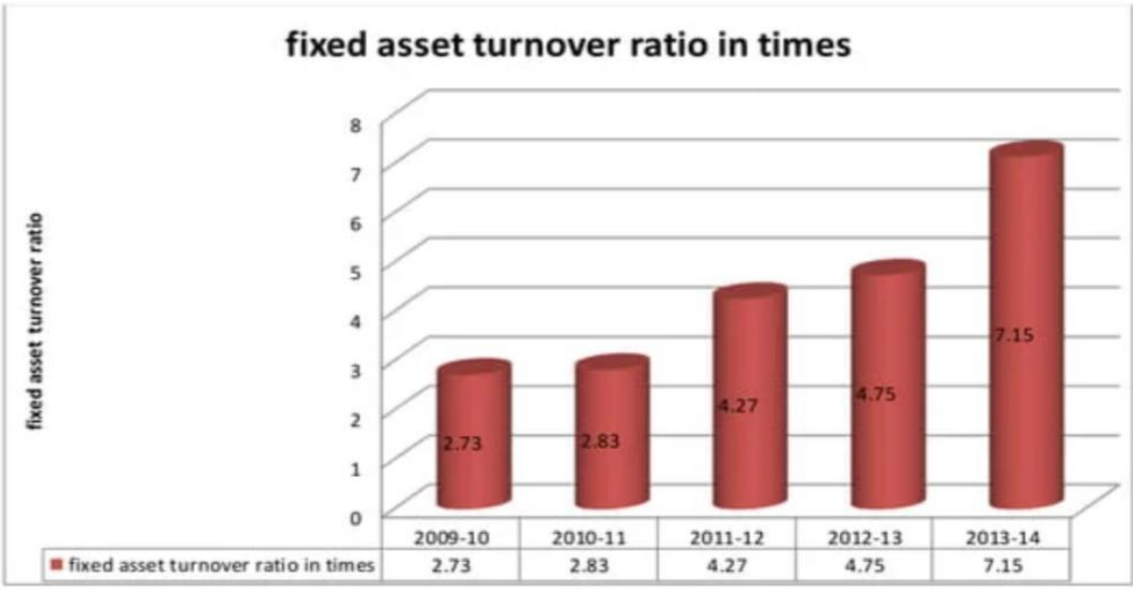
The ratio is supposed to measure the efficiency with which fixed assets are employed a high ratio indicates a high degree of efficiency in asset utilization and a low ratio reflects inefficient use of assets. However, in interpreting this ratio, one caution should be bome in mind. When the fixed assets of the firm are old and substantially depreciated, the fixed assets turnover ratio tends to be high because the denominator of the ratio is very low.

$$\text{Fixed asset turnover ratio} = \frac{\text{Net sales}}{\text{Net fixed asset}}$$

TABLE: FIXED ASSET TURNOVER RATIO:

YEAR	NET SALES	NET FIXED ASSETS	FIXED ASSET TURNOVER RATIO
2009-10	2,543,521,120	930,571,365	2.73
2010-11	2,685,436,096	948,631,374	2.83
2011-12	4,458,295,779	1,043,547,559	4.27
2012-13	7,451,032,998	1,568,304,581	4.75
2013-14	13,499,867,499	1,888,508,475	7.15

GRAPH : FIXED ASSET TURNOVER RATIO:



INTERPRETATION:

Fixed assets turnover ratio is 2.83 in the year 2010 and it is increased to in the year 2011. In the year 2012 the ratio is 4.27 and it continued up to 4.75 and to 7.15 in the years 2013&2014.

D. TOTAL ASSET TUENOVER RATIO:

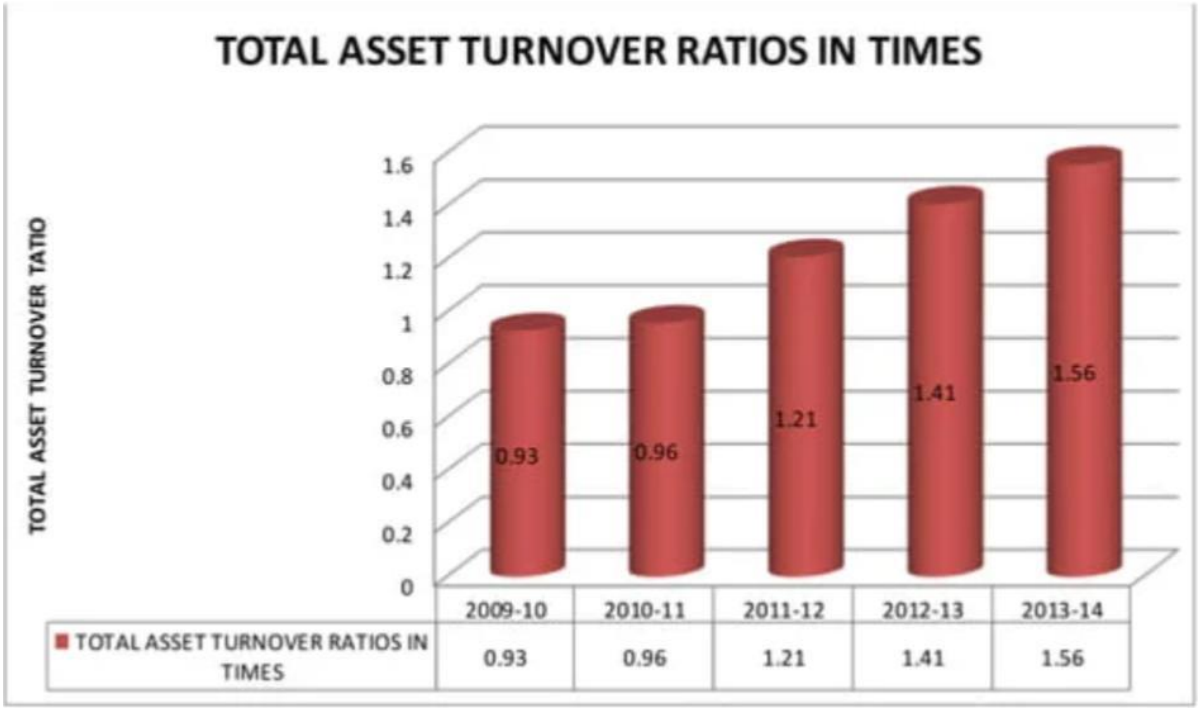
This ratio ensures whether the capital employed has been effectively used or not. This is also test of managerial efficiency and business performance. Higher total capital turnover ratio is always required in the interest of the company.

$$\text{Total asset turnover ratio} = \frac{\text{sales}}{\text{Capital employed}}$$

TABLE: TOTAL ASSET TURNOVER RATIO:

YEAR	NET SALES	CAPITAL EMPLOYED	TOTAL ASSET TURNOVER RATIO
2009-10	2,564,351,141	2,756,921,250	0.93
2010-11	2,685,43 6,096	2 ,809,793,132	0.96
2011-12	4,458,29 5,779	3 ,692,541,508	1.21
2012-13	7,451,03 2,998	5 ,292,107,128	1.41
2013-14	13,499,867,499	8 ,683,886,037	1.55

GRAPH : TOTAL ASSET TURNOVER RATIO:



INTERPRETATION:

Total assets ratio is 0.93 in the year 2010 and it gradually increased year by year and reached to 1.56 in the year 2014. It means Total Assets is increased in every year.

E. WORKING CAPITAL TURNOVER RATIO:

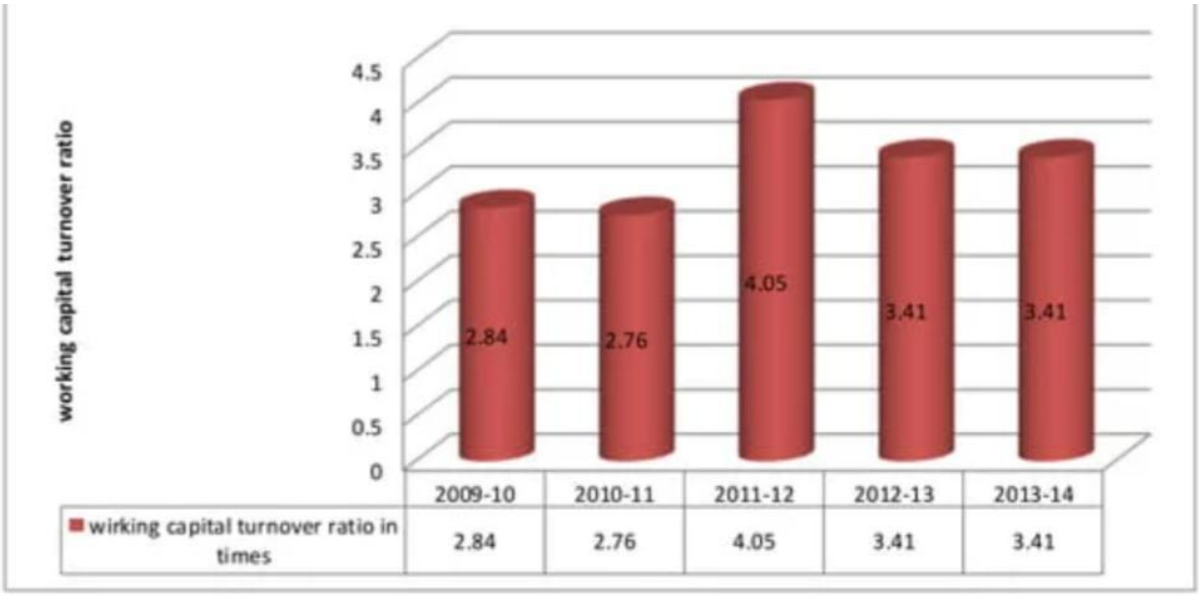
A firm may also like to relate net current assets or net working capital to sales. Working capital turnover indicates for one rupee of sales the company needs how many net current assets. This ratio indicates whether or not working capital has been effectively utilized market sales.

$$\text{Working capital turnover ratio} = \frac{\text{sales}}{\text{Working capital}}$$

TABLE : WORKING CAPITAL TURNOVER RATIO:

YEARS	SALES	WORKING CAPITAL	WORKING CAPITAL TURNOVER RATIO
2009-10	2,751,456,125	965852720	2.84
2010-11	2 ,685,436,096	973684291	2.76
2011-12	4 ,458,295,779	1,099700330	4.05
2012-13	7 ,451,032,998	2,187920684	3.41
2013-14	1 3,499,867,4 99	3,955216073	3.41

GRAPH : WORKING CAPITAL TURNOVER RATIO:



INTERPRETATION:

Working capital turnover ratio is 2.84 in the year 2010 and it is increased to 2.76 in the year 2011. In the year 2012 increased to 4.05. Again it decreased to 3.41 in the year 2013&2014. The higher the working capital turnover then more favorable for the company.

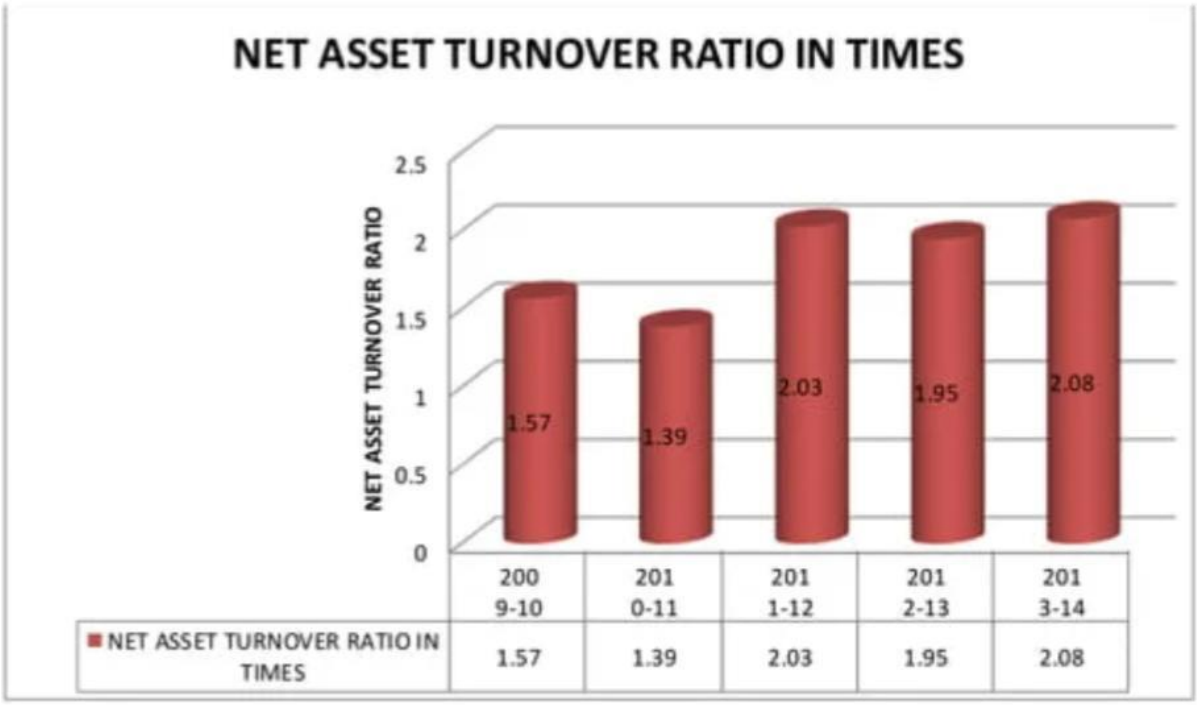
F. NET ASSET TURNOVER RATIO:

$$\text{Net asset turnover ratio} = \frac{\text{Sales}}{\text{Net asset}}$$

TABLE : NET ASSET TURNOVER RATIO:

YEARS	SALES	NET ASSET	NET ASSET TURNOVER RATIO
2009-10	2,751,456,125	1,752,324.530	1.57
2010-11	2,685,436,096	1, 935,207,71 4	1.39
2011-12	4,458,295,779	2, 191,397,00 6	2.03
2012-13	7,451,032,998	3, 817,892,86 2	1.95
2013-14	13,499,86 7,499	6, 501,134,46 0	2.08

GRAPH : NET ASSET TURNOVER RATIO:



INTERPRETATION:

Net Assets turnover ratio is 1.57 in the year 2010 and it is increased to 1.39 in the year 2011 and it is increased to 2.03 in the year 2012. And, it decreased to 1.95 in the year 2013 and it slightly increased to 2.08 in the year 2014.

G. CAPITAL TURNOVER RATIO:

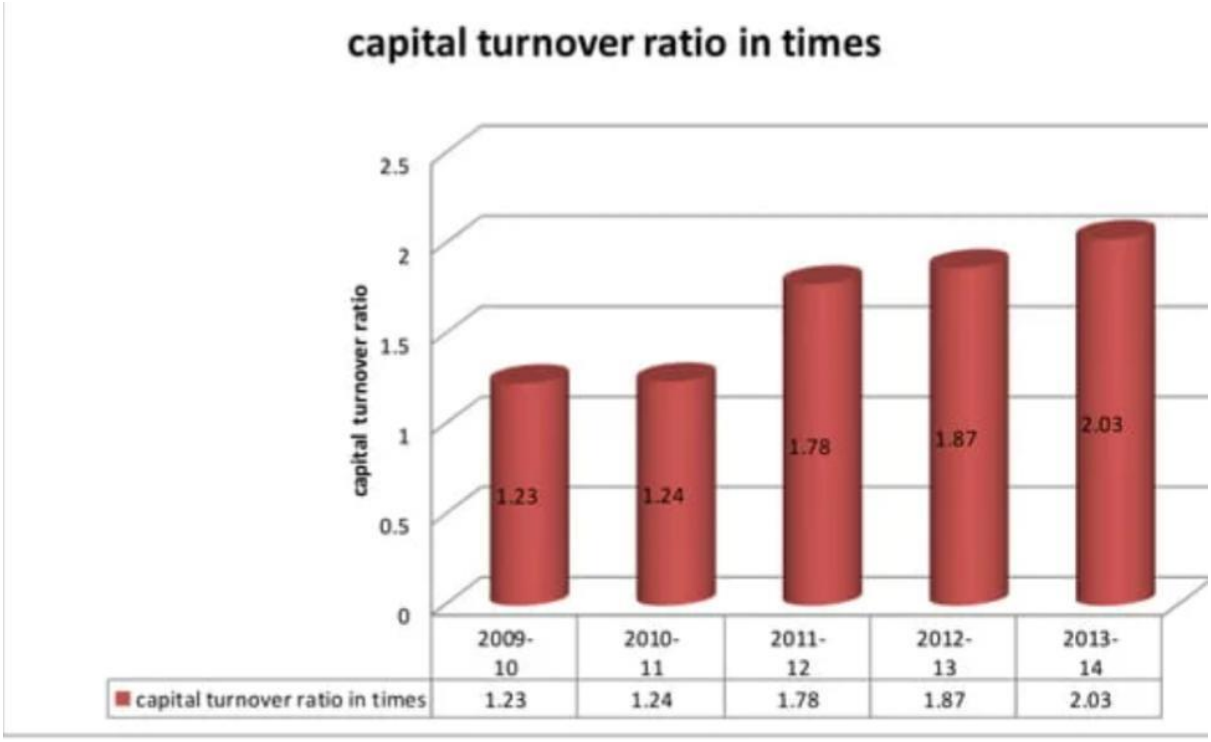
The ratio obtains by dividing sales with the capital employed.

$$\text{Capital turnover ratio} = \frac{\text{Sales}}{\text{Capital employed}}$$

TABLE : CAPITAL TURNOVER RATIO:

YEARS	SALES	CAPITAL EMPLOYED	CAPITAL TURNOVER RATIO
2009-10	2,751,456,125	2,221,920,756	1.23
2010-11	2,685,436,096	2,1 70,834,866	1.24
2011-12	4,458,295,779	2,5 11,537,662	1.78
2012-13	7,451,032,998	3,9 79,834,518	1.87
2013-14	13,499,867, 499	6,6 63,141,085	2.03

GRAPH 4.14: CAPITAL TURNOVER RATIO:



INTERPRETATION:

Capital turnover ratio is 1.23 in the y car 2010 and it is increased 1.24 in the year 2011 and it is increased to 1.78 in the year 2012 and again it is increased to 1.87 in the year 2013.Then, it increased to 2.03 in the year 2014.

4.PROFITABILITY RATIOS:

A.GROSS PROFIT RATIO:

This ratio shows that the margin left after meeting manufacturing costs. It measures the Efficiency of production as well as pricing**.**

$$\text{Gross profit percentage} = \frac{\text{Gross profit}}{\text{Net sales}} \times 100\%$$

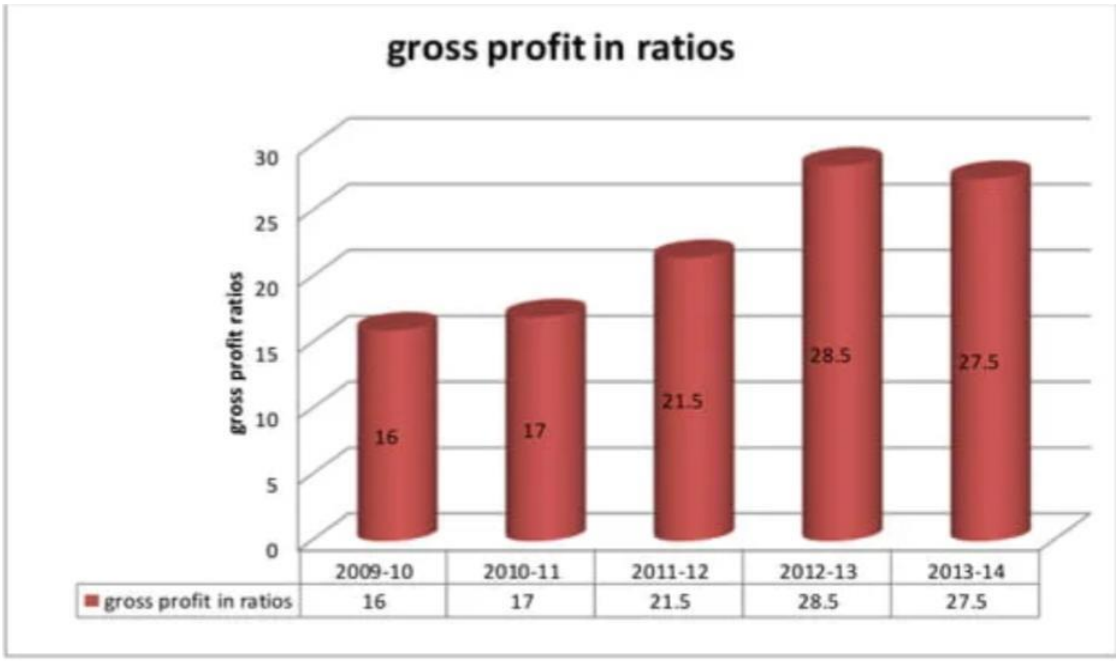
Gross profit Net sales-Cost of goods sold

Cost of goods sold Opening stock+ material consumed+ mfg exp- closing stock

TABLE : GROSS PROFIT RATIO:

YEARS	GROSS PROFIT	NET SALES	GROSS PROFIT RATIO
2009-10	453,720,910	2,751,456,125	16
2010-11	456,886,268	2,685,436,096	17
2011-12	958,490,549	4,458,295,779	21.5
2012-13	2,126,367,806	7,451,032,998	28.5
2013-14	3,717,403,516	13,499,867,499	27.5

GRAPH : GROSS PROFIT RATIO:



INTERPRETATION:

From the above we can say that gross profit ratio is 16% in the year 2010 but it increased to 17% &21.5% in 2011&2012 and a gain it increased to 28.5% in the year 2013 and it is decreased to 27.5% in the Year 2014.The company is maintaining proper control on Trade Activities.

C. OPERATING EXPENSES RATIO:

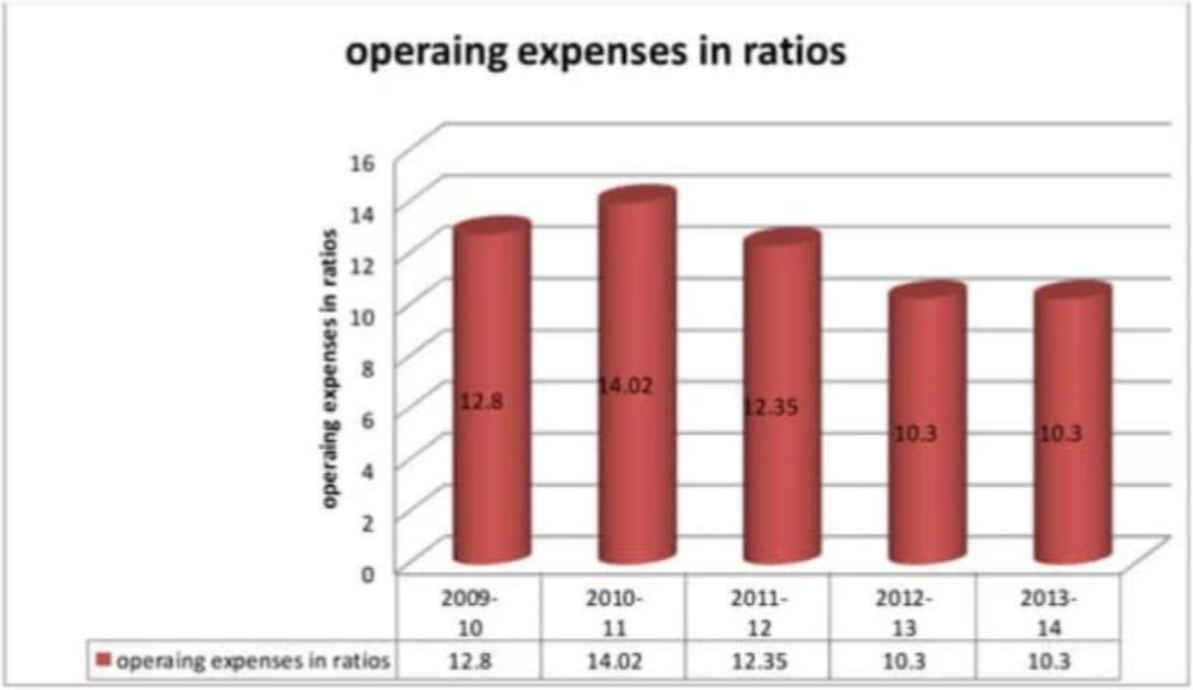
The Operating expenses ratio explains the changes in the profit margin ratio. A higher operating expense is untivourable since it will leave a small amount of interest, dividends.

$$\text{Operating ratio} = \frac{\text{Operating expenses}}{\text{Net sales}} \times 100$$

TABLE : OPERATING EXPENSES RATIO:

YEARS	OPERATING EXPENSES	SALES	OPERATING EXPENSES RATIO
2009-10	354,543,827	2,751,456,125	12.8
2010-11	376,620,609	2,685,436,096	14.02
2011-12	550,626,756	4,458,295,779	12.35
2012-13	767,790,197	7,451,032,998	10.30
2013-14	1,388,735,777	13,499,867,499	10.30

GRAPH : OPERAING EXPENSES RATIO:



INTERPRETATION:

Operating expenses ratio is 12.80%of sales in the year 2010 it decreased to 14.02% in the year 2011 and decreased in 2012 to 12.35% and again it decreased in the next year 2013 to 10.30% and continued the same way. Then, it reached 10.30% in the year 2014,

D. RETURN ON INVESTMENT

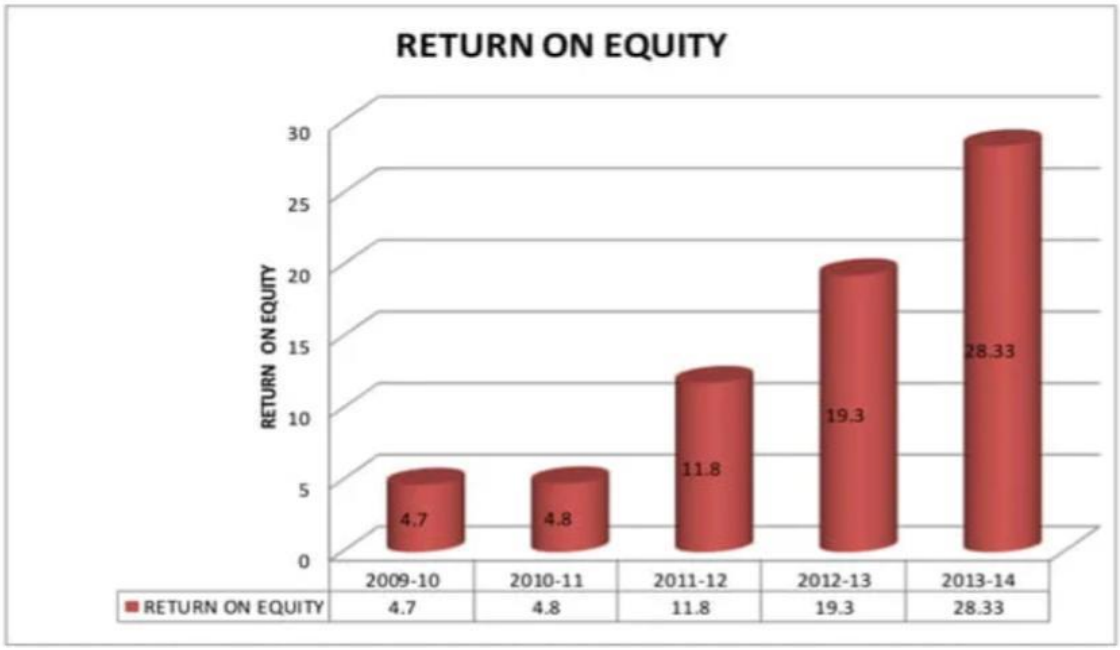
The conventional approach of calculated ROI is to divide PAT by investment**.**

$$\text{Return on investment} = \frac{\text{Net return}}{\text{Cost of investment}}$$

TABLE : RETURN ON INVESTMENT:

YEARS	EBIT	CAPITAL EMPLOYED	RETURN ON INVESTMENT
2009-10	135,350,510	2,350,743,945	0.05
2010-11	137,259,583	2,170,834,866	0.06
2011-12	386,899,738	2,511,537,662	0.15
2012-13	742,908,741	3,979,834,518	0.19
2013-14	1,588,690,299	6,663,141,085	0.24

GRAPH : RETURN ON INVESTMENT :



INTERPRETATION:

Return on Investment is very low in all years. But, in the year the 2013-14 in increased to 0.24 it was continuously increasing comparing to past years

CHAPTER -V

FINDINGS AND SUGGESTIONS

FINDINGS:

Except in the year 2012, the company is maintaining current ratio as 2 and more, standard

Which indicates the ability of the firm to meet its current obligations is more. It shows that the company is strong in working finds management.

The company is maintaining of quick assets more than quick ratio. As the company having high value of quick ratio. Quick assets would meet all is quick liabilities without

Any difficulty. The company is filed in keeping sufficient cash & bank balances and marketable securities

In above all current assets and liabilities ratios are better that also it is double the

Nommal position. Observe the absolute & super quick ratio the company cash performance is down position. > Debt Equity ratio is increasing every year. It indicates the company depends on the debt Fund increasing

In the year 2010, the interest coverage ratio 7.56 which increased to 94,76 in the year

2013 and high fluctuations in the followed years. In this position, outside investors are interested to invest their money in this company.

The net profit of the company is increasing over the study period. Hence the organization maintaining good control on all trees of expenses.

SUGGESTIONS

The company has to increase the profit maximization and has to decrease the operating expenses.

By considering the profit maximization in the company the earning per share, investment and working capital abo increases. Hence, the outsiders are also interested to invest

The company should maintain sufficient cash and bank balances, they should invest the idie cash in marketable securities or short term investments in shares, debentures, boods

And other securities.

The company must reduce its debtors collection period from 83 & 84 days to 40 days be

Adopting credit policy by providing discounts to the debtors.

CONCLUSION

From the above analysis of the company's financial statements it's concluded that the company's Financial position is good because the company's leverage, activity and profitability positions are Good and the company have to increase its liquidity position for better performance in finure.

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