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MEASURES OF FINANCIAL PERFORMANCE OF CCL, PIPARWAR AREA

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ABSTRACT

Financial performance refers to the act of performing financial activity. It is the process of measuring the results of a firm's policies and operations in monetary terms. Statement of Profit and Loss reflects the performance of the firm over a period of time. "It is a summary of a Company's revenues and expenses over a specified period, ending with net Profit or loss for the period." Performance measurement is becoming an essential tool for addressing questions of productivity improvement in terms of efficiency, effectiveness and accountability. The main idea behind this study is to analyze the financial operating position of the company. This research is done with help of secondary data which is gathered from the annual report of the company. Financial performance can be measured by using various financial tools such as comparative statement, profitability ratio, solvency ratio, etc. Based on the analysis, findings have been arrived that the company has got enough funds to meet its debts & liabilities, the Statement of Profit & Loss of the company shows that value of sales has increased every year except in 2015 but profit of the company is showing decreasing trend throughout the study period.

***KEYWORDS**: Financial Performance, Comparative Statement, Profitability Ratio, Solvency Ratio.*

Introduction

It is the process of identifying the financial strength and weakness of a firm from the available accounting data and financial statement. The analysis is done by properly establishing the relationship between the items of balance sheet and Statement of Profit & Loss, the first take of financial analyst is to determine the information relevant to the decision under consideration form the total information contained in the financial statement. The second step is to arrange information in a way to highlight significant relationship. The final step is interpretation and drawing of inferences and conclusion. Thus financial analysis is the process of selection relating and evaluation of the accounting data information. This studying contains Comparative Statement of Profit & Loss, Ratio analysis, Liquid ratios, and solvency ratios.

Comparative Statement of Profit & Loss

It is the analysis of changes in different components of the financial statements over different periods with help of a series of statements. Such an analysis makes it possible to study periodic fluctuations in different components of the financial statements.

Ratio Analysis

Ratio analysis is a widely used tool of financial Performance analysis. The term ratio is refers to the relationship expressed in mathematical terms between two individual figures or group of figures connected with each other in some logical manner and are selected from financial statements of the concern. It helps to express the relationship between two accounting figures in such a way that users can draw conclusions about the performance, strengths and weakness of a firm.

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Research Methodology

- **Research Design:** The study is based on secondary data. Data pertaining behaviour of liquidity solvency and profitability position were collection from the balance sheet and profit & loss account of Ashok Leyland. The necessary data were obtained from published annual report.
- **Nature of Data:** The data required for the study has been collected from secondary sources and the relevant information were taken from annual reports, journals and internet etc.,

Result and Discussion

- **Comparative Statement of Profit & Loss of CCL Piparwar**

		31.03.17 ₹ in lakhs	**31.03.16 ₹ in lakhs**	**Increase/ Decrease**	**% Change**
	Revenue from Operations				
A	Sales (Net)	364871	357465	7405.68	2.07
B	Other Operating Revenue (Net)	14146	10136.5	4009.54	39.56
(I)	**Revenue from Operations (A+B)**	**379017**	**367602**	11415.22	3.11
(II)	Other Income	1987.23	1260.32	726.91	57.68
	Coal issued for other purposes contra	82410.1	67819.5	14590.60	21.51
(III)	**Total Income (I+II)**	**463414**	**436682**	26732.73	6.12
(IV)	**EXPENSES**				
	Coal issued for other purpose	92862.8	82798.8	10063.94	12.15
	Cost of Materials Consumed	9567.46	11824.6	-2257.10	-19.09
	Changes in inventories of finished goods/work in progress and stock in trade	-16944	3623.3	-20567.07	-567.63
	Excise Duty	21186.3	19674	1512.23	7.69
	Employee Benefits Expense	31205.9	27717.3	3488.57	12.59
	Power Expenses	3215.29	2954.02	261.27	8.84
	Corporate Social Responsibility Expenses	116.13	393.52	-277.39	-70.49
	Repairs	3624.55	4866.54	-1241.99	-25.52
	Contractual Expense	38853.6	35138.3	3715.23	10.57
	Finance Costs	946.93	904.66	42.27	4.67
	Depreciation/Amortization /Impairment	4698.34	4653.68	44.66	0.96
	Provisions	280.41	940.79	-660.38	-70.19
	Write Off	0	0	0.00	0.00
	Diferred Stripping Activity Expenses	42853.3	34667.3	8186.03	23.61
	Other Stripping Activity Adjustment/ Overburden Removal Adjustment	-33351	-38458	5106.50	-13.28
	Other Expenses	80915.5	53609.1	27306.41	50.94
	Total Expenses (IV)	**280031**	**245308**	34723.18	14.15
(V)	**Profit before exceptional items and Tax (III-IV)**	**183383**	**191374**	-7990.45	-4.18
(VI)	Prior Period Adjustment {charge / (income)}	0	0	0.00	0.00
(VII)	**Profit before Tax (V-VI)**	**183383**	**191374**	-7990.45	-4.18
(VIII)	Tax Expense	0	0	0.00	0.00
(IX)	**Profit For the year from continuing operations (VII-VIII)**	**183383**	**191374**	-7990.45	-4.18
(X)	Profit/(Loss) from discontinued operations	0	0	0.00	0.00
(XI)	Tax exp of discontinued operations	0	0	0.00	0.00
(XII)	Profit/(Loss) from discontinued operations (After Tax) (X-XI)	0	0	0.00	0.00
(XIII)	Share in JV's/ Assocate's profit/(loss)	0	0	0.00	0.00
(XIV)	**Profit for the year (IX+XII+XIII)**	**183383**	**191374**	-7990.45	-4.18

Source: Annual Report CCL Piparwar area.

Interpretation

- Sales (Net) have been increased by 2.071719%, due to increased demand and production.
- Other Income has been increased by 57.67662%.
- The total income of the company has increased by 6.121788%.
- Coal Used for other purposes has increased by 12.15469%.
- Cost of Materials Consumed have been decreased by -19.0882%
- Other Expenses have been increased by 50.93615%.

- Profit before Tax, Profit For the year from continuing operations and Profit for the year has decreased by -4.17531%.

		31.03.16 ₹ in lakhs	31.03.15 ₹ in lakhs	Increase/ Decrease	% Change
	Revenue from Operations				
A	Sales (Net)	357465	315948	41517.73	13.14
B	Other Operating Revenue (Net)	10136.5	7994.8	2141.68	26.79
(I)	**Revenue from Operations (A+B)**	**367602**	**323943**	43659.41	13.48
(II)	Other Income	1260.32	1073.9	186.42	17.36
	Coal issued for other purposes contra	67819.5	61640	6179.51	10.03
(III)	**Total Income (I+II)**	**436682**	**386656**	50025.34	12.94
(IV)	**EXPENSES**				
	Coal issued for other purpose	82798.8	61640	21158.83	34.33
	Cost of Materials Consumed	11824.6	12377.8	-553.24	-4.47
	Changes in inventories of finished goods/work in progress and stock in trade	3623.3	-1975.4	5598.74	-283.42
	Excise Duty	19674	18387.8	1286.21	6.99
	Employee Benefits Expense	27717.3	27024.6	692.67	2.56
	Power Expenses	2954.02	2992.81	-38.79	-1.30
	Corporate Social Responsibility Expenses	393.52	504.47	-110.95	-21.99
	Repairs	4866.54	3299.66	1566.88	47.49
	Contractual Expense	35138.3	25806.6	9331.78	36.16
	Finance Costs	904.66	21.12	883.54	4183.43
	Depreciation/Amortization /Impairment	4653.68	4355.2	298.48	6.85
	Provisions	940.79	2440.56	-1499.77	-61.45
	Write Off	0	0	0.00	0.00
	Diferred Stripping Activity Expenses	34667.3		34667.31	-
	Other Stripping Activity Adjustment/ Overburden Removal Adjustment	-38457.8	-4639.7	-33818.19	728.90
	Other Expenses	53609.1	36735.9	16873.24	45.93
	Total Expenses (IV)	**245308**	**188971**	56336.74	29.81
(V)	**Profit before exceptional items and Tax (III-IV)**	**191374**	**197685**	-6311.40	-3.19
(VI)	Prior Period Adjustment {charge / (income)}	0	1613.36	-1613.36	0.00
(VII)	**Profit before Tax (V-VI)**	**191374**	**196072**	-4698.04	-2.40
(VIII)	Tax Expense	0	0	0.00	0.00
(IX)	**Profit For the year from continuing operations (VII-VIII)**	**191374**	**196072**	-4698.04	-2.40
(X)	Profit/(Loss) from discontinued operations	0	0	0.00	0.00
(XI)	Tax exp of discontinued operations	0	0	0.00	0.00
(XII)	Profit/(Loss) from discontinued operations (After Tax) (X-XI)	0	0	0.00	0.00
(XIII)	Share in JV's/ Assocate's profit/(loss)	0	0	0.00	0.00
(XIV)	**Profit for the year (IX+XII+XIII)**	**191374**	**196072**	-4698.04	-2.40

Source: Annual Report CCL Piparwar area.

Interpretation

- Sales (Net) have been increased by 13.14%, due to increased demand and production.
- Other Income has been increased by 17.36%.
- The total income of the company has increased by 13.94%.
- Coal Used for other purposes has increased by 34.33%.
- Cost of Materials Consumed have been decreased by -4.47%
- Other Expenses have been increased by 45.93%.
- Profit before Tax, Profit For the year from continuing operations and Profit for the year has decreased by -2.40%.

		31.03.15 ₹ in lakhs	31.03.14 ₹ in lakhs	Increase/ Decrease	% Change
	Revenue from Operations				
A	Sales (Net)	315948	320850.4	-4902.74	-1.53
B	Other Operating Revenue (Net)	7994.8	7901.33	93.47	1.18

(I)	**Revenue from Operations (A+B)**	**323943**	**328751.8**	-4809.27	-1.46
(II)	Other Income	1073.9	1207.53	-133.63	-11.07
	Coal issued for other purposes contra	61640	59113.9	2526.11	4.27
(III)	**Total Income (I+II)**	**386656**	**389073.2**	-2416.79	-0.62
(IV)	**Expenses**				
	Coal issued for other purpose	61640	59113.9	2526.11	4.27
	Cost of Materials Consumed	12377.8	10351.08	2026.72	19.58
	Changes in inventories of finished goods/work in progress and stock in trade	-1975.4	806.18	-2781.62	-345.04
	Excise Duty	18387.8	18887.23	-499.41	-2.64
	Employee Benefits Expense	27024.6	24501.2	2523.42	10.30
	Power Expenses	2992.81	2756.32	236.49	8.58
	Corporate Social Responsibility Expenses	504.47	733.35	-228.88	-31.21
	Repairs	3299.66	3333.4	-33.74	-1.01
	Contractual Expense	25806.6	21044.99	4761.56	22.63
	Finance Costs	21.12	1.05	20.07	1911.43
	Depreciation/Amortization /Impairment	4355.2	4256.43	98.77	2.32
	Provisions	2440.56	2054.88	385.68	18.77
	Write Off	0	0	0.00	0.00
	Diferred Stripping Activity Expenses				
	Other Stripping Activity Adjustment/ Overburden Removal Adjustment	-4639.7	-239.68	-4399.97	1835.77
	Other Expenses	36735.9	33933.07	2802.79	8.26
	Total Expenses (IV)	**188971**	**181533.40**	7437.99	4.10
(V)	**Profit before exceptional items and Tax (III-IV)**	**197685**	**207539.80**	-9854.78	-4.75
(VI)	Prior Period Adjustment {charge / (income)}	1613.36	177.09	1436.27	0.00
(VII)	**Profit before Tax (V-VI)**	**196072**	**207362.7**	-11291.05	-5.45
(VIII)	Tax Expense	0	0	0.00	0.00
(IX)	**Profit For the year from continuing operations (VII-VIII)**	**196072**	**207362.7**	-11291.05	-5.45
(X)	Profit/(Loss) from discontinued operations	0	0	0.00	0.00
(XI)	Tax exp of discontinued operations	0	0	0.00	0.00
(XII)	Profit/(Loss) from discontinued operations (After Tax) (X-XI)	0	0	0.00	0.00
(XIII)	Share in JV's/ Assocate's profit/(loss)	0	0	0.00	0.00
(XIV)	**Profit for the year (IX+XII+XIII)**	**196072**	**207362.7**	-11291.05	-5.45

Source: Annual Report CCL Piparwar area.

Interpretation

- Sales (Net) have been decreased by -1.53%, due to increased demand and production.
- Other Income has been decreased by -11.07%.
- The total income of the company has increased by -0.62%.
- Coal Used for other purposes has increased by 4.27%.
- Cost of Materials Consumed have been increased by 19.58%
- Other Expenses have been increased by 8.26%.
- Profit before Tax, Profit For the year from continuing operations and Profit for the year has decreased by -5.45%.

		31.03.14 ₹ in lakhs	**31.03.13 ₹ in lakhs**	**Increase/ Decrease**	**% Change**
	Revenue from Operations				
A	Sales (Net)	320850.4	293180.8	27669.62	9.44
B	Other Operating Revenue (Net)	7901.33	6713.36	1187.97	17.70
(I)	**Revenue from Operations (A+B)**	**328751.8**	**299894.2**	28857.59	9.62
(II)	Other Income	1207.53	8471.33	-7263.80	-85.75
	Coal issued for other purposes contra	59113.9	52386.83	6727.07	12.84
(III)	**Total Income (I+II)**	**389073.2**	**360752.3**	28320.86	7.85
(IV)	**Expenses**				
	Coal issued for other purpose	59113.9	52386.83	6727.07	12.84
	Cost of Materials Consumed	10351.08	9946.55	404.53	4.07

	Changes in inventories of finished goods/work in progress and stock in trade	806.18	2132.2	-1326.02	-62.19
	Excise Duty	18887.23	18136.22	751.01	4.14
	Employee Benefits Expense	24501.2	23094.19	1407.01	6.09
	Power Expenses	2756.32	2579.33	176.99	6.86
	Corporate Social Responsibility Expenses	733.35	976.3	-242.95	-24.88
	Repairs	3333.4	2534.88	798.52	31.50
	Contractual Expense	21044.99	23667.2	-2622.21	-11.08
	Finance Costs	1.05	0	1.05	#DIV/0!
	Depreciation/Amortization /Impairment	4256.43	4436.86	-180.43	-4.07
	Provisions	2054.88	1881.07	173.81	9.24
	Write Off	0	0	0.00	0.00
	Diferred Stripping Activity Expenses			0.00	#DIV/0!
	Other Stripping Activity Adjustment/ Overburden Removal Adjustment	-239.68	-20888.83	20649.15	-98.85
	Other Expenses	33933.07	35476.53	-1543.46	-4.35
	Total Expenses (IV)	**181533.40**	**156359.33**	25174.07	16.10
(V)	**Profit before exceptional items and Tax (III-IV)**	**207539.80**	**204393.01**	3146.79	1.54
(VI)	Prior Period Adjustment {charge / (income)}	177.09	-1325.87	1502.96	0.00
(VII)	**Profit before Tax (V-VI)**	**207362.7**	**205718.9**	1643.83	0.80
(VIII)	Tax Expense	0	0	0.00	0.00
(IX)	**Profit For the year from continuing operations (VII-VIII)**	**207362.7**	**205718.9**	1643.83	0.80
(X)	Profit/(Loss) from discontinued operations	0	0	0.00	0.00
(XI)	Tax exp of discontinued operations	0	0	0.00	0.00
(XII)	Profit/(Loss) from discontinued operations (After Tax) (X-XI)	0	0	0.00	0.00
(XIII)	Share in JV's/ Assocate's profit/(loss)	0	0	0.00	0.00
(XIV)	**Profit for the year (IX+XII+XIII)**	**207362.7**	**205718.9**	1643.83	0.80

Source: Annual Report CCL Piparwar area.

Interpretation

- Sales (Net) have been increased by 9.44%, due to increased demand and production.
- Other Income has been decreased by -85.75%.
- The total income of the company has increased by 7.85%.
- Coal Used for other purposes has increased by 12.84%.
- Cost of Materials Consumed have been increased by 4.07%
- Other Expenses have been decreased by -4.35%.
- Profit before Tax, Profit For the year from continuing operations and Profit for the year has increased by 0.80%.
- **Liquidity Ratio**

These ratios portray the capacity of the business unit to meet its short term obligation from its short term resources (e.g.) current ratio, quick ratio.

- **Current Ratio:** Current ratio may be defined as the relationship between current assets and current liabilities it is the most common ratio for measuring liquidity. It is calculated by dividing current assets and current liabilities. Current assets are those, which can be realized with in a period of one year. Current liabilities are those amounts, which are payable with in a period of one year.

Current Ratio = Current Assets / Current Liabilities

Years	Current Assets	Current Liabilities	Ratio
2012-13	19752.11	20001.79	0.99
2013-14	19655.44	22677.45	0.87
2014-15	24071.32	29115.89	0.83
2015-16	22518.79	42151.58	0.53
2016-17	45887.10	42437.69	1.08

Source: Annual Report CCL Piparwar Area.

Interpretation

The above table shows that the current ratio is showing decreasing trend in the first four year but in the year 2016-17 it has increased to 1.08. The normal current ratio is 2:1. The above table shows that current ratio is less than 2 in all the financial years. This shows that company is not enjoying credit worthiness.

- **Liquid Ratio:** The term „liquidity‟ refers to the ability of a firm to pay its short-term obligation and when they become due. The term quick assets or liquid assets refers current assets which can be converted into cash immediately and it comprises all current assets except stock and prepaid expenses it is determined by dividing quick assets by quick liabilities.

Liquid Ratio = Liquid Assets / Current Liabilities

Years	Liquid Assets	Current Liabilities	Ratio
2012-13	6443.25	20001.79	0.32
2013-14	7345.33	22677.45	0.32
2014-15	10132.88	29115.89	0.35
2015-16	11818.26	42151.58	0.28
2016-17	18392.15	42437.69	0.43

Source: Annual Report CCL Piparwar area.

Interpretation

The above table shows that the Liquid ratio during the above period was below the normal (i.e.) 1:1.Hence the firm is not efficient in controlling its stock position.

- **Profitability Ratio**

The profitability ratios of a business concern can be measured by the profitability ratios. These ratios highlight the end result of business activities by which alone the overall efficiency of a business unit can be judged. (E.g.) gross Profit ratios, Net profit ratios.

- **Gross Profit Ratio**: This ratio expresses the relationship between Gross profit and sales. It indicated the efficiency of production or trading operation. A high gross profit ratio is a good management as it implies that the cost of production is relatively low.

Gross Profit Ratio = Gross Profit / Net Sales x 100

Years	Gross Profit	Net Sales	Ratio
2012-13	210155.74	293180.82	71.68
2013-14	211620.19	320850.44	65.96
2014-15	200447.98	315947.70	63.44
2015-16	196931.96	357465.43	55.09
2016-17	189028.44	364871.11	51.81

Source: Annual Report CCL Piparwar Area.

Interpretation

The above table shows that the relationship between Gross Profit and Net Sales in percentage. During the above period Gross profit Ratio has a decreasing trend, it shows that Company is unable to maintain its Gross Profit.

- **Net Profit Ratio**: Net profit ratio establishes a relationship between net profit (after taxes) and sales. It is determined by dividing the net income after tax to the net sales for the period and measures the profit per rupee of sales

Net Profit Ratio = Net Profit / Net Sales x 100

Years	Net Profit	Net Sales	Ratio
2012-13	205718.88	293180.82	70.17
2013-14	207362.71	320850.44	64.63
2014-15	196071.66	315947.70	62.06
2015-16	191373.62	357465.43	53.54
2016-17	183383.17	364871.11	50.26

Source: Annual Report CCL Piparwar area.

Interpretation

The above table shows that the relationship between Net Profit after tax and Net Sales in percentage. During the above period Net profit Ratio also shows decreasing trend, it shows that company is not efficient and effective.

- **Activity Ratio / Turnover Ratio**

These ratios evaluate the use of the total resources of the business concern along with the use of the components of total assets. They are intended to measure the effectiveness of the assets management the efficiency with which the assets are used would be reflected in the speed and rapidity with which the assets are converted into sales. The greater the rate of turnover, the more efficient the management would be the stock turnover ratio, fixed assets turnover ratios etc

- **Capital Turnover Ratio:** Capital Turnover Ratio established the relationship between Cost of Goods Sold and Capital Employed in the Business, and shows the efficiency of capital Employed in the business.

Capital Turnover Ratio = Cost of Goods Sold/ Capital Employed

Years	Cost of Goods Sold	Capital Employed	Ratio
2012-13	83025.08	46335.80	1.79
2013-14	109230.25	31844.75	3.43
2014-15	115499.72	35716.77	3.23
2015-16	160533.47	18241.03	8.80
2016-17	175842.67	38987.56	4.51

Source: Annual Report CCL Piparwar area.

Interpretation

The above table shows that during the above period Capital Turnover Ratio is showing increasing trend in the first four year, but at the last in the year 2016 -17 it has decreased.

- **Working Capital Turnover Ratio:** This ratio shows the number of times working capital is turned-over in a stated period. It indicates to what extent the working capital funds have been employed in the business towards sales.

Working Capital Turnover Ratio = Cost of Goods Sold/ Working Capital

Years	Cost of Goods Sold	Working Capital	Ratio
2012-13	83025.08	-249.68	-332.53
2013-14	109230.25	-3022.01	-36.14
2014-15	115499.72	-5044.57	-22.90
2015-16	160533.47	-19632.79	-8.18
2016-17	175842.67	3449.41	50.98

Source: Annual Report CCL Piparwar area.

Interpretation

The above table shows that the Working Capital Ratio in the year 2012-13 was -332.53 then it starts increasing and in the year 2016-17 it becomes positive. It shows that company has managed its working capital after 2012-13.

- **Total Assets Turnover Ratio**: This ratio is an indicator of how the resources of the organization utilized for increasing the turnover. It shows the ratio between the total assets and the net sales of the company. From this ratio one can understand how the assets are performing and being utilized in achieving the objectives of the company.

Total Assets Turnover Ratio = Cost of Goods Sold / Total Assets

Years	Cost of Goods Sold	Total Assets	Ratio
2012-13	83025.08	66337.58	1.25
2013-14	109230.25	54522.20	2.00
2014-15	115499.72	64832.66	1.78
2015-16	160533.47	60392.61	2.66
2016-17	175842.67	81425.25	2.16

Source: Annual Report CCL Piparwar area.

Interpretation

The above table shows that Total Assets Turnover Ratio in the year 2012-13 was 1.25, in the next year it increased to 2.00, then in the year 2014.15 it decreased to 1.78, again in the year 2015-16 it increased to 2.66, after this in the year 2016-17 it decreased to 2.16 it is showing fluctuation of up and down trend. It implies that Assets are not being utilized towards the achievement of organisational goals properly.

- **Inventory Turnover Ratio:** This ratio is an indicator of the efficiency of the use of investment in stock. Mostly opening and closing stock figures are given and these should be averaged. The average should be calculated as under:

$$\text{Average Inventory} = \frac{\text{Opening Inventory} + \text{Closing Inventory}}{2}$$

Too large an inventory will depress the ratio; control over inventories and active sales promotion will increase the ratio. If desired this ratio may be split into two ratios, for raw materials and for finished goods. This analysis will throw a better light on the inventory position. Average inventory is calculated on the basis of the average inventory at the beginning and at the end of the accounting period.

Inventory Turnover Ratio = Cost of Goods Sold / Average Inventory

Years	Cost of Goods Sold	Average Inventory	Ratio
2012-13	83025.08	14700.90	5.65
2013-14	109230.25	12809.49	8.53
2014-15	115499.72	13124.28	8.80
2015-16	160533.47	12319.49	13.03
2016-17	175842.67	19097.74	9.21

Source: Annual Report CCL Piparwar area.

Interpretation

The above table is showing that there is continuous increase in Inventory Turnover Ratio up to the year 2015-16 but in the year 2016-17 it decreased to 9.21. It is showing that company is using its Inventory in efficient way.

Findings, Suggestions and Conclusions

Findings

- There is increase in Sales (Net) continuously except in the year 2014-15 hence the management should take care of the quality and market situations. All the relevant expenses are normal.
- There is regular decrease in the Net profit Before Tax, except in the year 2013-14. Hence Profit After Tax is also showing decreasing trend throughout the study period, except in the year 2013-14.
- The current ratio is showing decreasing trend in the first four year but in the year 2016-17 it has increased to 1.08. The normal current ratio is 2:1. The above table shows that current ratio is less than 2 in all the financial years. This shows that company is not enjoying credit worthiness.
- Liquid ratio during the above period was below the normal (i.e.) 1:1.Hence the firm is not efficient in controlling its stock position.
- During the above period Net profit Ratio is in decreasing trend, it shows that company is not efficient and effective.
- Working Capital Ratio in the year 2012-13 was -332.53 then it starts increasing and in the year 2016-17 it becomes positive. It shows that company has managed its working capital after 2012-13.
- There is continuous increase in Inventory Turnover Ratio up to the year 2015-16 but in the year 2016-17 it decreased to 9.21. It is showing that company is using its Inventory in efficient way.

Suggestions

- Current assets should be increased.
- Sales should be increased without the additions of fixed assets.

- Net profit is decreasing throughout the period. So, company should increase its production and sales revenue, to increase Net Profit.
- The Company should take necessary steps to control Inventory.

Conclusion

The study reveals that the financial performance is not satisfactory. It is in need of improvement. It can improve if the company concentrates on its operating, and by reducing expenses. The company should increase sales volume as well as Net profit. The company was not able to meet its entire requirements. Company should take necessary steps to control Inventory.

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