Inspira- Journal of Modern Management & Entrepreneurship (JMME)
ISSN : 2231–167X, General Impact Factor : 2.7282, Volume 09, No. 02, April, 2019, pp. 95-103

PROFITABILITY ANALYSIS OF FMCG INDUSTRY IN INDIA

Ikbal Mohammad Qureshi*

ABSTRACT

The study sought to find out the relationship between the liquidity and the profitability of five leading FMCG companies in India. The study was descriptive in nature. Document analysis was the main research procedure adopted to collect secondary data for the study. The financial reports of the ten leading FMCG companies were studied and relevant liquidity and profitability ratios were computed. Liquidity and Profitability are the most noticeable issues in the corporate finance literature. Liquidity refers to the financial ability of the firm to meet the short term obligations as and when they arise. Profitability is the profit earning capacity which is a crucial factor contributing for the survival of the firms. The ultimate goal for any firm is to maximize profitability. However, finance literature says too much attention on profitability may lead the firm into a pitfall by diluting the liquidity position of the company. The research paper mainly focuses on analyses of profitability of selected FMCG companies in India during period of 2012-13 to 2016-17; the tools used for analysis are Ratio analysis, Trend analysis and Percentages. It was found that the profitability of the selected FMCG companies were hovering. Again, it was also found that there was a very strong positive relationship between the liquidity and the profitability of the selected FMCG companies in India.

KEYWORDS: *Liquidity, Profitability, Spearman's Rank Correlation, FMCG Companies.*

———————————

Introduction

Profitability differs from profit in a very important way. Profitability is not measured in terms of money, but in terms of return on some asset. This means that a profit of 100 $ has nothing to do withprofitability. Profitability measures how much output you can get from employing a certain amount of an asset. Profitability is usually expressed as a ratio, e.g. Percent. Profitability is calculated usingthe exact same information as that used to calculate profit, but in a slightly different way. Profitability is a very useful measure, in so far that it can make it easy and straight forward to choose between possible actions or ventures. Profitability means ability to make profit from all the business activities of an organization, company, firm, or an enterprise. It shows how efficiently the management can make profit by using all the resources available in the market. According to Harward& Upton, "Profitability is theability of a given investment to earn a return from its use."

Objectives of the Study

- To calculate gross profit and net profit ratiosof FMCG from 2012-13 to 2016-17.
- To calculate gross profit and net profit ratiosof Marico Limited from 2012-13 to 2016-17.
- To compare gross profit and net profit ratio ofBritannia and Marico Limited from 2012-13 to 2016-17.

Research Methodology

Estimation of gross profit and net profit ratioof Britannia and Marico Limited is primary objective ofthis study for which secondary data has been used. The relevant information's in this aspect have beenassembled from annual reports of Britannia and MaricoLimited, journals, websites, magazines etc. The collecteddata has been integrated in the form of tables and figuresand statistical tools have been applied in order to givea meaningful conclusion.

* Research Scholar, Department of Economic Administration & Financial Management (EAFM), University of Rajasthan, Jaipur, Rajasthan, India.

Findings

Profitability Ratios in Relation to Sales

Sales are the main source of recovery of expenses and earning of profit. These ratios study the relationship of profit as well as expenses with sales. The important ratios are given as under:

- **Operating Ratio**

It is the ratio of operating cost to sales. "The ratio of all operating expenses i.e. materials consumed, labour, factory overheads, office and selling and distribution expenses to sales are the operating ratio. It indicates the relationship of operating cost to total sales. This ratio is the test of the operational efficiency with which the business is being carried on. The operating ratio is calculated with the help of the formula given below:

$$\textbf{Operating Ratio} = \frac{\textbf{Operation Cost}}{\textbf{Net sales}} \times 100$$

The following table shows the operating ratios of FMCG Companies during the period of the study:

Operating Ratios in FMCG Companies

(In percentage %)

FMCG Companies	Years				
	2013	**2014**	**2015**	**2016**	**2017**
Dabur India	79.62	78.98	79.46	79.66	82.11
HUL	79.15	79.38	79.22	79.22	79.94
Procter & Gamble	77.62	78.14	78.88	79.68	79.56
Colgate-Palmolive	83.88	87.87	89.1	77.32	75.78
ITC	78.78	77.65	78.75	78.15	78.22

Source: Computed from Annual Accounts of FMCG Companies for the Years 2012-13 to 2016-17.

- **Dabur India**

The above table indicates that there was an unfavourable situation in the company so far the as operating cost is concerned, the operating cost remained very high and which was higher than its sales in 2016-17 where sales were less then operating cost with a margin of 2.11 per cent. This situation had arisen on account of the high cost of production.

- **HUL**

In the HUL the net sales were more than the operating costs. Operating costs had registered an uneven trend during the period of the study. The rate of increase in operating costs was higher than the increase in the corresponding sales. As indicated in the above table, the operating ratio in the company was high.

- **Procter & Gamble**

Procter & Gamble maintained the profitability throughout the study period. The rate of increase in operating costs was very higher than the increase in corresponding sales.

- **Colgate-Palmolive**

The operating ratio of the Colgate-Palmolive reflected the poor picture; the operating cost was more than the sale in the first three years of the study period and thereafter in the last two years the company performed well. The operating cost was less than the sales with the margin of 22.68 in 2016 and 24.22 in 2017 respectively.

- **ITC**

In ITC the net sales were more than the operating costs throughout the study period. Operating costs had registered a decreasing trend during the period of the study. The rate of decrease in operating costs was not higher than the increase in corresponding sales.

- **Gross Profit Ratio**

"**Gross profit ratio measures efficiency of production as well as pricing."** This ratio indicates the relationship between gross profit and sales. It shows the margin left after meeting manufacturing cost. The formula of the gross profit ratio is as follows:

$$\textbf{Gross Profit Ratio} = \frac{\textbf{Gross Profit}}{\textbf{Net sales}} \times 100$$

Gross profit ratios for the FMCG companies have been shown in the following table 1.2 from 2012-13 to 2016-17:

Gross Profit Ratios in FMCG Companies

(In percentage %)

FMCG Companies	Years				
	2013	2014	2015	2016	2017
Dabur India	35.88	35.10	33.28	33.93	32.75
HUL	28.28	27.59	29.29	30.89	34.50
Procter & Gamble	30.56	30.85	31.97	30.79	31.30
Colgate-Palmolive	30.67	38.61	29.86	33.04	34.43
ITC	40.65	40.43	40.42	45.83	42.46

Source: Computed from Annual Accounts of FMCG Companies for the Years 2012-13 to 2016-17.

- **Dabur India**

  The above table reflects that the gross profit ratio of the company had gradually decreased during the period of the study except in the years 2014-15 where the gross profit went up in comparison to the previous years. The gross profit ratio decreased from 35.88 per cent in 2012-13 to 32.75 percent in 2016-17.

- **HUL**

  The gross profit ratio of HUL was low in comparison to the Dabur India. Gross profit ratio had registered an uneven trend during the period of the study. In the first two years the rate of G.P.ratiohas shown a decreasing trend and there after it grew up. The overall trend of ratio was increasing, the gross profit ratio increased from 28.28 percent in 2012 -13 to 34.5 2016-17.

- **Procter & Gamble**

  The above table reflects that the gross profit ratio of company. had shown an increasing during the period of the study except in the years 2014-15 where the gross profit went down in comparison to the previous years. Overall the gross profit ratio had shown not much fluctuating nature, it stayed near 30.8 percent.

- **Colgate-Palmolive**

  The gross profit ratio of Colgate-Palmolive had marked a very fluctuating nature. The gross profit ratio suddenly increased from 30.67 percent in 2012-13 to 38.61 percent in 2013-14 and thereafter it went down to 29.86 percent in 2014-15. After this uneven fluctuation the trend was increasing nature. On the whole the gross profit ratio increased from 29.86 percent in 2012-13 to 34.43 percent in 2016-17.

- **ITC**

  The above table reflects that the gross profit ratio of the ITC was the highest among the selective fmcg. It had shown an uneven trend during the period of the study. The gross profit ratio suddenly increased from 40.42 percent in 2014-15 to 45.83 percent in 2015-16. On the whole the gross Profit ratio increased from 40.65 percent in 2012-13 to 42.46 percent in 2016-17.

- **Operating Profit Ratio**

Operating profit ratio measures the relationship of profit from operations to net sales. It is generally used to evaluate the efficiency of the business in controlling costs and expenses in relation to sales. It is calculated by dividing the operating profit with net sales and is expressed in percentage.

$$\textbf{Operating Profit Ratio} = \frac{\textbf{Operating Profit}}{\textbf{Net sales}} \times 100$$

The following table reveals the operating profit ratios in the FMCG Companies during the period of the study:

Operating Profit Ratios in FMCG Companies

(In percentage %)

FMCG Companies	Years				
	2013	2014	2015	2016	2017
Dabur India	20.36	21.14	20.93	20.33	18.77
HUL	20.73	20.52	20.29	20.29	20.04
Procter & Gamble	22.38	21.86	21.1	20.29	20.5
Colgate-Palmolive	17.88	12.08	16.33	20.91	21.55
ITC	21.27	23.31	22.91	22.3	22.23

Source: Computed from Annual Accounts of the Company. for the years 2012-13to 2016-17.

- **Dabur India**

The operating profit ratio of Dabur India had shown very uneven nature. The operating profit ratio increased from 20.36 percent in 2012-13 to 21.14 percent in 2013-14 and then it went down to 20.93 percent in 2014-15 after this fluctuation; the trend was decreasing in nature. In 2016-17 the ratio decreased too, resulting in the profit converting into the loss.

- **HUL**

The above table reflects that the operating profit ratio of the Company had gradually decreased during the period of the study except in the years 2015-16 where the operating profit remained stable in comparison to the previous years. The operating profit ratio decreased from 20.73 per cent in 2012-13 to 20 .04 percent in 2016-17

- **Procter & Gamble**

The operating profit ratio of Procter & Gamble reflected a insignificant picture; the operating profit ratio had been decreasing in nature in the first four years of the study period and thereafter in the last year, the companyregained and its ratio increased to .29 percent in 2015-16 to .5 percent in 2016-17. On the whole the operating profit ratio decreased from 2.38 percent in 2012-13 to .5 percent in 2016-17.

- **Colgate-Palmolive**

The operating profit ratio of the Colgate-Palmolive Company reflected the poor picture; the operating cost was very high in the first three years of the study period and thereafter in the last two years the company performed well. The operating cost was less than sales with the margin of 20.91 percent in 2015-16 and 21.55 percent in 2016-17 respectively.

- **ITC**

The above table reflects that the operating profit ratio of the ITC Company was the highest among the selective Companies. It had shown an uneven trend during the period of the study. The operating profit ratio suddenly increased from 21.27 percent in 2013-14 to 23.31 percent in 2014-15 and thereafter the trend had shown decreasing nature for the last three years of the study period. On the whole the operating Profit ratio increased from 21.27 percent in 2012-13 to 22.23 percent in 2016-17.

- **Net Profit Ratio**

Net profit ratio is a principal ratio to measure the over-all profitability of the business. This ratio shows the earnings left out for shareholders as a percentage of net sales after accounting for all the operating costs ’and also non-operating income and expenditure including taxation. It reveals the net margin of sales and is derived by dividing the net profit with the net sales.

$$\textbf{Net Profit Ratio} = \frac{\textbf{Net Profit}}{\textbf{Net sales}} \times 100$$

“The ratio of net profit (after interest and taxes) to sales essentially expresses the cost / price effectiveness of the operation.”

A high net profit ratio ensures an adequate return to the owners and shows the survival position in case of falling sales prices, rising cost of production or declining demand for the products, whereas a low ratio indicates the reverse implications. The net profit ratios in the company.are given in the following table from 2012-13 to 2016-17:

Net Profit/Loss Ratios in FMCG Companies

(In percentage %)

FMCG Companies	Years				
	2013	2014	2015	2016	2017
Dabur India	20.4	21.24	21.04	20.38	18.38
HUL	20.9	20.66	20.34	20.34	20.06
Procter & Gamble	21.62	22.1	21.23	20.34	20.56
Colgate-Palmolive	17.77	12.2	16.33	20.91	21.55
ITC	21.05	23.17	23.05	22.39	22.3

Source: Computed from Annual Accounts of the Company. for the years 2012-13to 2016-17.

- **Dabur India**

  The net profit ratio had been very low in the Dabur India Company. The ratio increased from 20.4 percent in 2012-13to 21.24 percent in 2013-14 and thereafter it regularly decreased for the last three years of the study period. In 2016-17 this ratio had been negative and went down to 18.38 percent. The overall trend of net profit ratio was uneven throughout the study period.

- **HUL**

  The net profit ratio of HUL Company had been decreasing in nature. The net profit ratio remained stable for one year in 2015-16 at 20.34 percent in comparison to the percentage of 2014-15. The overall decrease in ratio was .9 percent from 2012-13 to 2016-17.

- **Procter & Gamble**

  The net profit ratio of Procter & Gamble Company.had indicated very uneven nature. The net profit ratio increased from 21.62 percent in 2012-13to 22.1 percent in 2013-14and then it went down to 21.23 percent in 2014-98. After this, fluctuation the trend was decreasing in nature. The net profit ratio decreased from 21.62 to 20.56 percent throughout the study period.

- **Colgate-Palmolive**

  Colgate-Palmolive Company performed very poor during the study period. In the first three year the company earned low profits viz. 17.77, 12.2, 16.33 percent in the years 2013, 2014, 2015 and thereafter it tasted the sweetness of increase in profit from 2016. On the whole the net profit ratio increased from 17.77 percent in 2012-13 to 20 .56 percent in 2016-17.

- **ITC**

  The above table reflects that the net profit ratio of the ITC Company was the highest among the selective companies. It had uneven nature during the period of the study. The net profit ratio suddenly increased from 21.05 percent in 2013-14 to 23.17 percent in 2014-15and there after the trend had been decreasing in nature for the last three years of the study period. On the whole the net profit ratio increased from 21.05 percent in 2012-13 to 22.3 percent in 2016-17.

Profitability Ratios in Relation to Investment

Profitability of an enterprise can also be examined by comparing the profits with the investment. This relationship is also known as 'Return on Investment'. These ratios testify to the operating efficiency of the enterprise and are used to measure the overall performance of the management. There are three-dimensional concepts of investments viz.- gross capital employed, net capital employed and owner' equity.

Return on Capital Employed

To measure the profitability of the FMCG Companies, all the concepts of investment have not been applied. Only those ratios are calculated which are useful to analyse the profitability of the organization.

- **Return on Gross Capital Employed**

The return on gross capital employed is a measure of overall business performance, which is not affected by the interest charge and tax liability. It shows the effectiveness of the total assets employed and utilized during the accounting period. Return on gross capital employed is calculated by dividing the operating profits (earnings before interest and tax) with the gross capital employed. Gross capital employed is equal to the total of fixed assets and current assets. This ratio is also called 'return on total investment'.

"The return earned on tota1 assets employed is a measure of management's performance. Assets are used to earn a profit, and management is responsible for the way in which they are used; consequently, the return on assets employed is a measure of management, performance." This ratio is computed from the formula given below:

$$\textbf{Return on Gross Capital Employed} = \frac{\textbf{Operating Profit}}{\textbf{Gross Capital Employed}} \times 100$$

Here, operating profit is calculated by deducting the cost of goods sold from sales revenue. The non-operating items (non-operating expenses and non-operating incomes) are not considered for the computation of operating profit. Depreciation has been included in the cost of goods sold but interest, tax and reserves are excluded while calculating the cost of goods sold by the FMCG Companies. The gross capital employed is equal to the total amount of operating assets. Investments (other than trade investments) and losses and miscellaneous expenses are excluded from the total of the assets side of the balance sheet. The return on gross capital employed in the Company has been worked out, during the period of the study and is shown in the table 1.5given below:

Return on Gross Capital Employed in FMCG Companies

(In percentage %)

FMCG Companies	Years				
	2013	**2014**	**2015**	**2016**	**2017**
Dabur India	20.45	21.85	21.15	20.66	15.72
HUL	20.88	21.07	20.53	20.62	20.098
Procter & Gamble	24.23	26.9	24.73	21.53	22.86
Colgate-Palmolive	6.35	4.51	4.21	22.64	24.23
ITC	21.65	25.05	26	25.9	25.87

Source: Computed from Annual Accounts of the Company. for the years 2012-13to 2016-17

- **Dabur India**

  The above table shows that the performance of the Dabur India Company had not been so good during the study period. The trend of return on gross capital employed was very fluctuating. The ratio suddenly increased from 20.45 percent in 2012-13 to 21.85 percent in 2013-14 and started showing the symptoms of degradation in trend of ratio. The degradation was very high as a result the ratio became negative.

- **HUL**

  The return on gross capital employed ratio of the HUL Company had shown decreasing nature except in 2013-14. There was an increase recorded viz.21.77 percent and after this year the trend was negative. The overall decrease in ratio was from .88 percent in 2012-13 to 20.098 percent in 2016-17.

- **Procter & Gamble**

  The return on gross capital employed ratio of the Procter & Gamble Company. Reflected the insignificant picture; the gross capital employed ratio had decreasing nature. The increase recorded from 24.23 percent in 2012-13to 26.9 percent in 2013-14 and there after the ratio fell down for the next two years. In the last year of the study the company regained and its ratio increased from 21.53 percent in 2015-99 to 22.86 percent in 2016-17 On the whole the return on gross capital employed ratio decreased from 24.23 percent in 2012-13 to 22.86 percent in 2016-17.

- **Colgate-Palmolive**

  The above table reveals that the return on gross capital employed in the company. had been low percentage during the first three years period of the study. In 2015-16 it changed into the high rate of return and after that in 2016-17 it went up to 24.23 percent. The profits of company were very low in during the study period so that the performance of company was not significant.

- **ITC**

  The return on gross capital employed ratio of the ITC Company was high in compression to Procter & Gamble. Return on Gross Capital Employed ratio had registered an uneven trend during the period of the study. In the first three years the rate of return on gross capital employed ratiohad shown increasing nature and there after it went down. The overall trend of ratio increased, the return on gross capital employed ratio increased from 21.65 percent in 2012-13 to 25.87 2016-17.

- **Return on Net Capital Employed**

The return on net capital employed is the most important tool of measuring the profitability from the viewpoint of the management as well as the prospective investors. It is the most appropriate criterion of judging the rate of return on long-term investments of a concern. This ratios calculated by dividing the operating profit (as calculated for the purpose of return on gross capital employed) with the net capital employed and expressed in percentage. Here, net capital employed is calculated by deducting current liabilities from the gross capital employed in the form of equation,

Net Capital Employed = Gross Capital - Current liabilities.

The rate of return on net capital employed is worked out with the help of the formula given below:

$$\textbf{Return on capital employed} = \frac{\textbf{Operating Profit}}{\textbf{Net capital Employed}} \times 100$$

Return on net capital employed ratio is an indication of the utilization of funds employed in the business by the owners and creditors. A higher ratio indicates better utilization of funds and higher productivity of the long-term investments in the business. The return on net capital employed in FMCG Companies during the period of the study is given below in table.

Return on Net Capital Employed in FMCG Companies

(In percentage %)

FMCG Companies	Years				
	2013	**2014**	**2015**	**2016**	**2017**
Dabur India	23.35	27.7	26.91	22.37	28.25
HUL	24.03	23.53	21.29	21.3	20.18
Procter & Gamble	24.71	27.9	26.35	21.77	23.04
Colgate-Palmolive	12.14	10.25	10.17	23.16	24.91
ITC	23	31.58	30.14	27.01	28.35

Source: Computed from Annual Accounts of the Company. for the years 2012-13to 2016-17

- **Dabur India**.

  The return on net capital employed ratio of the Dabur India Company. had shown very uneven nature. The return on net capital employed ratio increased from 23.35 percent in 2012-13 to 27.7 percent in 2013-14 and then it went down to 26.91 percent in 2014-15. After this uneven fluctuation, the trend was decreasing in nature. In 2016-17 the ratio decreased too. With the result the profit converted into loss.

- **HUL**

  The return on net capital employed ratio of the HUL Company reflected the picture of uneven trend of ratio, the return on net capital employed ratio had shown decreasing nature in the first three years of the study period and thereafter in the year 2015-16 it slightly increased by 20.01 percent. On the whole the return on net capital employed ratio decreased from 24.03 percent in 2012-13 to 20.18 percent in 2016-17.

- **Procter & Gamble**

  The above table reflects that the return on net capital employed ratio of the company was gradually fluctuating during the period of the study. The ratio suddenly increased from 24.71 percent in 2012-13 to 27.9 percent in 2013-14and then it suddenly decreased from 26.35 percent in 2014-15to 21.77 percent in 2015-16. The return on net capital employed ratio decreased from 24.71 per cent in 2012-13 to 23.04 percent in 2016-17.

- **Colgate-Palmolive**

  The return on net capital employed ratio of the Colgate-Palmolive Company reflected the poor picture; the return on net capital employed ratio in the first three years and thereafter in the last two years the company performed well. The return on net capital employed ratio was 23.16 percent in 2015-16 and 24.91 percent in 2016-17 respectively.

- **ITC**

  The above table reflects that the return on net capital employed ratio of the ITC Company was the highest among the selective dairies. It had uneven nature during the period of the study. The return on net capital employed ratio suddenly increased from 30 percent in 2013-

14 to 31.58 percent in 2014-15 and there after the trend had shown decreasing nature in the last three years of the study period. On the whole the return on net capital employed ratio increased from 23 percent in 2012-13 to 28.35 percent in 2016-17.

- **Return on Owner's Equity**

The return on owner's equity is a measure of the profitability of shareholders funds. It indicates how the owner's funds have been utilized by the enterprise. In case of thecompany.there was no preference share capital, therefore, the owner's equity represented the total of equity share capital and retained earnings. Return on owner's equity was computed by dividing the net profit after tax with the net worth or owner's funds and expressed in percentage. The formula used for this purpose is given below:

$$\textbf{Return on Owner's Equity} = \frac{\textbf{Net Profit After Tax}}{\textbf{Net Worth}} \textbf{ x 100}$$

As per the annual accounts of the company both net profit after tax and net worth have been negative; therefore, it is not possible to work out the return on owner's equity. The calculations based on negative figures will not serve the purpose of the study. Thus, it can be concluded that the profit performance of the company has not been satisfactory. The analysis of the operating profit ratio, net profit ratio, return on gross capital employed and return on net capital employed has revealed the unsatisfactory results' on account of higher proportion of expenditure in comparison to sales revenue during the whole period of the study. Although the rate of return on sales as well as capital employed was negative almost throughout the period of the study yet it had registered a decreasing trend of negative return, which was a good sign of improvement in the efficiency and profitability of the company.The improvement in the situation was the result of increase in sales more than proportionately in comparison to the increase in costs.

Return on Owner's Equity in FMCG Companies

(In percentage %)

FMCG Companies	Years				
	2013	2014	2015	2016	2017
Dabur India	34.89	53.11	64.13	35.28	65.22
HUL	25.19	26.03	22.46	22.89	20.42
Procter & Gamble	39.98	54.33	40.76	26.89	24.2
Colgate-Palmolive	**40.16**	**43.57**	**42.88**	26.39	66.99
ITC	22.38	22.86	31.62	33.78	32.11

Source: Computed from Annual Accounts of the Company. for the years 2012-13to 2016-17

- **Dabur India**

The above table shows that the performance of the Dabur India Company was good during the study period except the performance of 2016-17. The trend of return on owner's equity was very fluctuating. The ratio suddenly increased from 34.89 percent in 2012-13 to 53.11 percent in 2013-14. This increase continued in 2014-15 then started the degradation in the trend of ratio. The degradation was very high as a result the ratio became negative.

- **HUL**

The return on owner's equity ratio of the HUL Company had shown fluctuating nature. There was an increase recorded at .84 percent in the year 2013-14 and after this year the trend was very low. The overall decrease in ratio was from 5.19 percent in 2012-13 to 42 percent in 2016-17.

- **Procter & Gamble**

The return on owner's equity ratio of the Procter & Gamble reflected the insignificant picture; the return on owner's equity ratio had shown decreasing nature. The increase was recorded from 39.98 percent in 2012-13to 34.33 percent in 2013-14and there after the ratio fell down for the remaining years of the study period. On the whole, the return on owner's equity ratio decreased from 39.98 percent in 2012-13 to 24.2 percent in 2016-17.

- **Colgate-Palmolive**

The above table reveals that the return on owner's equity in the company was in a very bad condition throughout the period of the study. In the first three years the owner's equity has recorded a negative balance and the earning available was also very low so that the result of the first three years showed the positive result. In the last two years of the study the earning available for equity was negative. The overall result of the Colgate-Palmolive Company was very unsatisfactory.

- **ITC**

The return on owner's equity ratio of the ITC Company was quite reasonable in comparison to other FMCG Companies. Return on owner's equity ratio had registered an uneven trend during the period of the study. In the first four years, the rate of return on owner's equity ratiohad shown increasing nature and there after it went down. The over all trend of ratio was increasing nature, the return on gross capital employed ratio increased from 22.38 percent in 2012-13 to 32.11 percent in 2016-17.

References

- Eric L. Kohler: A Dictionary for Accountants, (New Delhi: Prentice Hall of India Pvt. Ltd., 1984), p.379.
- Hailstones Thomas J. and Roth Well Ohm, Introduction to Managerial Economics, (New Jersey: Prentice Hall, Inc., -1979), p.18.
- Howard and Upton; Introduction to Business Finance, (New York: Mc Graw Hill Book Co., 1961), p.150
- J.P. Bradley; Administrative Financial Management. (New York: Holt. Rinehart and Winston, Inc. 1990), p.356
- James C. Van Hirne; op.cit. P.43.
- James G.Van Horne: Fundamentals of Financial Management, (New Delhi: Prentice-Hall of India, 1978), p.40
- Joel Dean; Managerial Economics, (New Delhi: Prentice Hall of India Pvt. Ltd.). Indian Reprint, 1977, p.13.
- John Argenti; Corporate Planning-A Practice Guide (London: George Allan & Unwin Ltd. 1991), p.125
- M.E. Murphy; Managerial Accounting, (New York: D. Van Nostrad Co. 1987), p.214
- Nikolai, Loren A. and Bazley John D: Financial Accounting, (Boston: Kent Publishing Company, 1983), p.765.
- R.E.V. Duck and F.R.J. Jervis; Management Accounting, (George: G. Harrap and Co. Ltd 1988.), p.422
- R.L.Smith: Management through Accounting, (New Jersey; Prentice Hall, Inc., 1962), p.90.
- Roge Leroy Mille; Economics Today, (New York: Harpe And Row, 1979), p.390.
- Slovin, A. ET. Al.; Basic Accounting for Managerial and Financial Control,
- Stanev; Quoted in Chartered Accountant, (May 1975), p.235
- Walter B. Meigs, Charles E. Johnson, and Robert F. Meigs: Accounting -The Basis for Business Decision, (New York: MC Graw Hill Book Co., 1987).

♦❒♦