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A Study on Financial Statement Analysis with the Help of Ratio Analysis at Ducol Organic & Colours Pvt. Ltd, Panvel

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Abstract: *Technology plays an important role in banking sector. Banking is one of the largest financial institutions constantly exploring the opportunity of technology-enabled services to provide better customer experience and convenience. Mobile phone is a common technology device that became part of every individual's life in the information era. Mobile Banking is an emerging alternative channel for providing banking services. India is the second largest telecom market in the world, which is having high potential for expanding banking services using mobile. However, mobile banking has not become the choice of millions of people. This technology help us to save our time & provide facilities to get information about our account, transactions and transfer the money from one account to another account from anywhere and anytime but there is problem in customer adaptation, customer distrust on the mobile banking. The main objective of this study is to identify the mind-set and analyse the prospects and issues in Mobile banking among the banking customers in India.*

In India there are 1.012 billion active mobile connections in January 2018 out of 460 million internet users are there… by 2021 there will be more than 635.8 million internet users in India. This is a major increase from previous years. The global report found that mobile banking adopts by new users and largest in emerging countries. It ensures that customer in clearing and settlement of transaction through nationwide and real fund transfer in any bank account and operates of any operator.

The study aimed at examining the knowledge of banking customers on the services offered by banks for mobile banking; finding out challenges faced by mobile banking services in extending their services to many customers ; determining whether customers are extensively using mobile banking.

For this research, primary data was used. This study adopts with descriptive in nature. A sample size of 80 respondents was given this questionnaire. Secondary data was collected using documentary sources such as articles and research reports from internet and media. Analysed data was presented using percentage in tables, charts and graphs.

The findings showed that the majority of respondents knew little about the services offered by banks through mobile banking. The study revealed that many customers fear the use of mobile banking services. They fear insecurity, high charges and unreliability of such services. However, 100% respondents did agree that it is speedy, and saves time than traditional banking. The study concludes that there is a need to educate the banking customers about the diversity of services offered as well as the importance of using mobile banking in their day-to-day chores. From this research, other researchers and policy makers will get an insight about prospects and issues of mobile banking in India.

Keywords: Mobile Banking, Mobile Banking in India, Issues and Prospects, Challenges of Mobile Banking

I. INTRODUCTION

All the functional manages should formulate strategic plan. Financial manager has to formulated the financial planning is one of the principle of management, same is in financial management. Planning means deciding in advance what is to be done. The finance function is primarily concerned with the economic procurement & efficient use of funds, which is possible only by a well prepared financial planning.

Financial forecasting is valuable exercise because it helps the management term project how much cash will be generated from operations, which in turn shapes decision regarding expenditures that will be made. An accurate forecast helps the company maintain adequate cash levels.

Financial Statement Analysis is the process of reviewing and analysing a companies financial statements to make better economic decisions. These statements include the income statement, balance sheet, statement of cash flows, and a statement of changes in equity. Financial statement analysis is a method or process involving specific techniques for evaluating risks, performance, financial health, and future prospects of an organization.

It is used by a variety of stakeholders, such as credit and equity investors, the government, the public, and decision-makers within the organization. These stakeholders have different interests and apply a variety of different techniques to meet their needs. For example equity investors are interested in the long-term earnings power of the organization and perhaps the sustainability and growth of dividend payment. Credited want to ensure the interest and principal is paid on the organizations depth security.

Ratio analysis is a widely used tool of financial analysis. It can be used to compare the risk and return relationship of firms of different sizes. It is defined as the systematic 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. The term ratio refers to the numerical over Quantitative relationship between two items/variables.

There are many standard ratios used to evaluate the overall financial condition of a corporation or other organization. Financial ratios are used by managers within a firm, by current and potential stockholders of a firm, and by a firm creditor. Financial analysts use financial ratios to compare the strengths and weaknesses in various companies.

The purpose of financial statement analysis is to examine past and current financial data so that a company's performance and financial position can be evaluated and future risks and potential can be estimated. Financial statement analysis can yield valuable information about trends and relationships, the quality of a company's earnings, and the strengths and weaknesses of its financial position. I had close connection with preparation of financial statements and know the working system of the company. This overall experience was an emphasis on the importance of these ratios which could be the roots of decisions made by management that can make or break the company. So, I was influenced to allocate the aim of this project to study the details about these ratios and their possible effects on the decisions made by not only people inside the company but also the outsiders such as investors.

The ratio analysis and industry analysis tools below are very useful for individuals to instantly assess a company or industry by making two basic types of comparisons. First, the analyst can compare a present ratio with past (or expected) ratios for the organization to determine if there has been an improvement or deterioration or no change over time.

Figure.1

Financial planning and forecasting is the process of meeting your life goals through the proper management of your financial. Life goal can include buying a home, saving for your child’s education, planning for your retirement etc.

Financial planning is the task of determining how a business will afford to achieve its strategic goals and objectives. Usually, a company creates a financial plan immediately after the vision and objective have been set. The financial plan describes each of the activities, resources, equipment and materials that are needed to achieve this objective, as well as the timeframes involved.

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FINANCIAL PLANNING AND FORECASTING PROCESS

Financial planning process

Forecasting process

SCOPE OF THE STUDY

“Financial Analysis” is concept whereby Organizations’ consider the interests of organization by taking responsibility for the impact of the their activities on employees, accountholders, shareholders, directors, & other stakeholder. “ Financial activities “ is widely accepted measures of developing dynamic environment required for growth & development of both individuals of the organization .

To understand the inter-related sets of attitude, beliefs & assumptions along with the action & practices involved by the various organizations, To understand the ability to assess organization strengths & weaknesses & engage a new learning including new or challenged attitudes, beliefs & assumptions.

The study mainly attempts to analyse the financial performance of the company selected for the study. The financial authorities can use this for evaluating their performance in future, which will help to analyse financial statements and help to apply the resources of the company properly for the development of the company and employees to bring overall growth. The present study attempt to develop a trend analysis model for Balance sheet and Profit and Loss Accounts. There can be forecasting to evaluate the overall performance of the Infrastructure Development Finance Company in future.

The primary objective of financial statement analysis is to understand and diagnose the information contained in financial statement with a view to judge the profitability and financial soundness of the firm, and to make forecast about future prospects of the firm. The purpose of analysis depends upon the person interested in such analysis. So it can help in future how analyses the financial statement.

COMPANY PROFILE

COMPANY CLASS	-	PRIVATE
COMPANY CATEGORY	-	NON - GOVERNMENT
DATE OF INCORPORATION	-	16th JUN 1994
HEADQURTER	-	MASJID (W), MUMBAI
REGISTRAR OF COMPANY	-	RoC - MUMBAI
AUTHORIZED CAPITAL	-	3.00 cr
PAID UP CAPITAL	-	3.00 cr
WEBSITE	-	www.ducol.com

COMPANY INTRODUCTION

D U C O L is a limited company based in Mumbai. It is limited by shareholding and is privately held. It is promoted by a group having a Multinational presence with diverse activities from industry to plantations & trading to investments. The group has been active in international business since five decades D U C O L has been in the pigment since 1990. It started by putting up a R&D lab for pigments synthesis and it's uses, where process capabilities and product applications techniques were developed in tune with current international requirements. The objective of the exercise was to offer products which were standardized to each of the products critical application needs.

To achieve its objective, assistance was taken from leading technologists from the University Department of Chemical Technology, stalwarts from the industry, and a close interaction with consumers of pigment. Commercialization of the project took place only 3 years later where the efforts were test marketed D U C O L today has a host of satisfied customers in America, Europe, Africa and Asiad D U C O L from its modest beginning now looks to the future We are here to Provide Services Which Focus on Customer Centricity Rather Than Profit Making Motive in Such Competitive Market We Are Working in Mumbai City We Are Dealing in Chemical Laboratory. If You Will Join Us, Then You Will Get Transparency Customer Satisfaction with Right Guidance of Our Services Along with the Trust Seal of Ducal Organics and Colors Pvt Ltd You Will Recommend us two References on the base of Your Services with our best Quality Customer Support.

COMPANY HISTORY

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The history of Ducol took shape as a small laboratory in 1990. It was set to research and develop process capabilities and product application techniques matching international standards. We are the market leaders in the segment with decades of rich experience in pigments and their dispersions, master batches, preparations, concentrates and elaborations with a range of color solutions for various industries like paints, inks, plastics, textiles, detergent and paper. It's been an intense twenty-odd years of research, innovation and modernization. The search to optimize and customize solutions has given us many landmarks along the way.

COMMUNITY

Ducol is a responsible organisation with a vision that encompasses education and healthcare. Ducol has been lending continued support towards this. A part of the profits are dedicated to making widely available healthcare and education a reality. Funds are allocated to individuals and institutions working in these areas. Both infrastructure and development are key areas.

HEALTHCARE

Ducol takes a keen and continued interest in healthcare. Over the last couple of decades, we have supported healthcare centres and clinics with diagnostic equipment and infrastructure capabilities. Healthcare has been our focus through several initiatives to develop medical treatment centres and generate widespread availability of basic and specialized medical

AWARE OF PRODUCTS

Manufacturer & Exporter of Pigments, Pigments Dispersions, Pigments Preparations, Pigments Concentrates, Pigments Emulsions, Pigments Pastes, Pigments Dry Dispersions, Pigments Colorants, Pigments Elaborations, Pigments Master Batches, Pigments Tinder's in Various Forms for Diverse Industrial Applications. Products can be Offered from a Standard Range of Colors or Customer's Specific Shades Could Be Offered If the Requirement Is Large. Applicable to Various Industries Like Detergents, Rubber, Textile, Leather, Cement, Paper, Paint & Dope / Color Spin.

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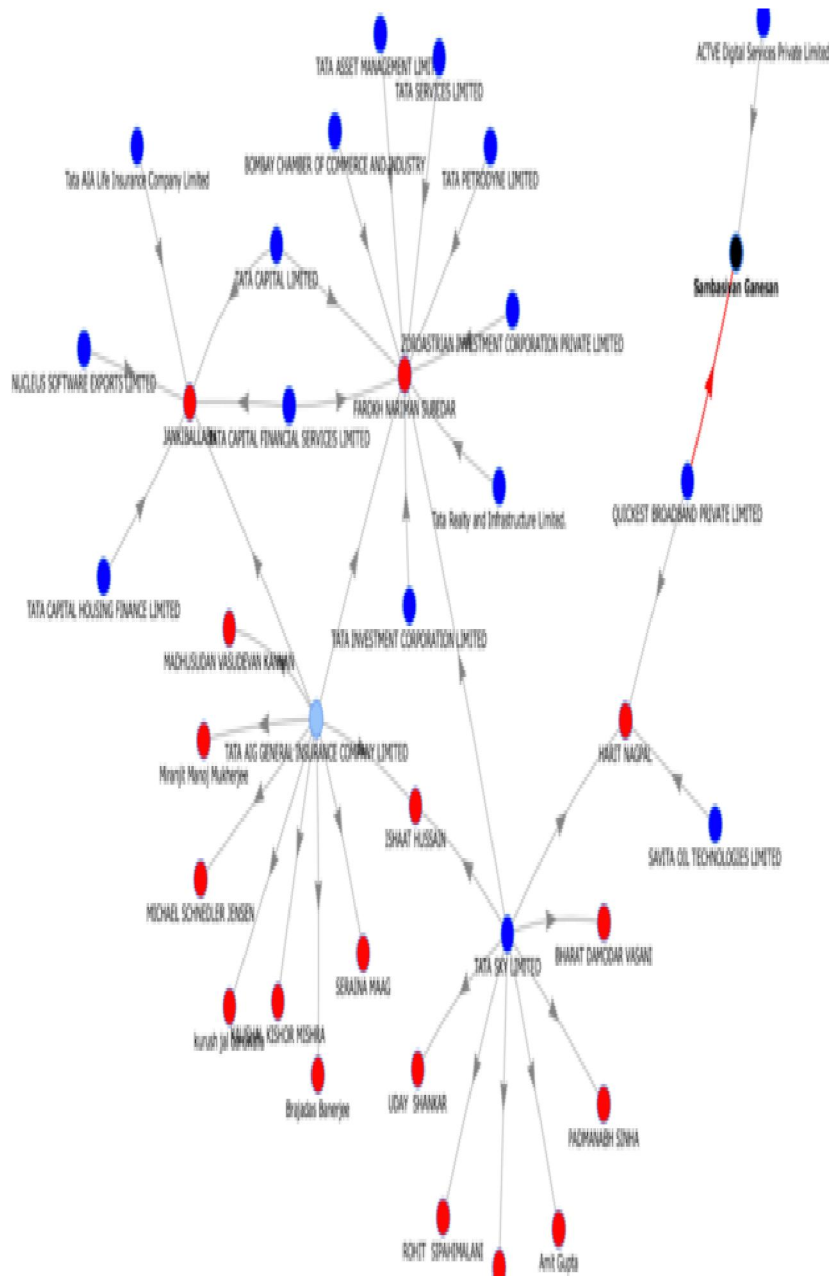
COMPANY NETWORK



OBJECTIVES OF FINANCIAL PLANNING

1.Ensure Availability of Sufficient funds : It ensures availability of sufficient funds to invest in feasible projects there by achieving bank goals.

2.Balances risk & costs: While raising the required funds there is a need to balance risk and costs to protect the investor

3.Determining capital requirements: This will depend upon factors like cost of current and fixed assets, promotional expenses and long-range planning Capital requirements have to be looked with both aspects: short-term and long-term requirements.

4.Framing financial policies with regards to cash control, lending, borrowings, etc.

5.Changing business environment and funds utilization properly for the achieving organization goal.

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IMPORTANCE OF FINANCIAL PLANNING

Financial planning is process of farming objectives policies, procedure's, program and budgets regarding the financial activities of a concern. This ensures effective and Adequate financial and investment policies. The importance can be outlined as –

Adequate funds have to be ensured

Financial planning helps in ensuring a reasonable balance between outflow and inflow of funds so that stability is maintained.

Financial planning helps in ensures that the suppliers of funds are easily investing in bank which exercise financial planning

Financial planning helps in making growth and expansion program which helps in long-run survival of the bank or organization

FCTORS AFFECTING FINANCIAL PLANNING:

1. Nature of the organization:

Planning is prime function of the management, it helps to decide the amount (quantum of capital and the sources of procurement.

2. Status of the organization in the industry:

Status of the organization in an organization one which consider by the investor while investing in equities or debentures.

3.Evolution of alternatives source of finance:

Procurement of needed funds at minimum cost is debt and equity combination. For determination of optimum debt equity mix, the financial managers needs to evaluate varies sources of financial in the light if cost,

4. Magnitude of external capital requirements:

A financial manager has to formulate a financial planning after taking into account long term and short term financial needs of the firm, manager requirements needs capital plan an fixed requirements,

5. Government policy:

Government policies in all control the banks and statuaries provisions, consider formulating of a banking sectors financial plan, required the capital issues, all the services are related to the peoples by the govt. rules and regulation.

Types of Financial Analysis

1. On the basis of material used
2. On the basis of modus operandi,
3. On the bases of entities used,
4. On the basis of time horizon.

Nature of financial statements:-

Financial Statements are prepared on the basis of business transactions recorded in the books of Original Entry or Subsidiary Books, Ledger, and Trial Balance. Recording the transactions in the books of primary entry supported by document proofs such as Vouchers, Invoice Note etc. According to the American Institute of Certified Public Accountants, "Financial Statement reflects a combination of recorded facts, accounting conventions and personal judgments and conventions applied which affect them materially." It is therefore, nature and accuracy of the data included in the financial statements which are influenced by the following factors:

- Recorded Facts.
- Generally Accepted Accounting Principles.
- Personal Judgments.
- Accounting Conventions.

ACCOUNTING PRINCIPLES AND ASSUMPTIONS:-

The accounting data in financial statements are prepared by the firm's management according to a set of standards, referred to as generally accepted accounting principles (GAAP). The financial statements of a company whose stock is publicly traded must, by law, be audited at least annually by independent public accountants (i.e., accountants who are

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not employees of the firm). In such an audit, the accountants examine the financial statements and the data from which these statements are prepared and attest through the published auditor's opinion that

these statements have been prepared according to GAAP. The auditor's opinion focuses on whether the statements conform to GAAP and that there is adequate disclosure of any material change in accounting principles.

The major objectives of financial statement analysis are as follows:-

Assessment of Past Performance:-Past performance is a good indicator of future performance. Investors or creditors are interested in the trend of past sales, cost of goods sold, operating expenses, net income, cash flows and return on investment. These trends offer a means for judging management's past performance and are possible indicators of future performance.

Assessment of current position: - Financial statement analysis shows the current position of the firm in terms of the types of assets owned by a business firm and the different liabilities due against the enterprise.

Prediction of profitability and growth prospects:-Financial statement analysis helps in assessing and predicting the earning prospects and growth rates in earning which are used by investors while comparing investment alternatives and other users in judging earning potential of business enterprise.

Prediction of bankruptcy and failure:-Financial statement analysis is an important tool in assessing and predicting bankruptcy and probability of business failure.

Assessment of the operational efficiency:-Financial statement analysis helps to assess the operational efficiency of the management of a company. The actual performance of the firm which are revealed in the financial statements can be compared with some standards set earlier an

Purpose of financial statements:-

The objective of financial statements is to provide information about the financial position, performance and changes in financial position of an enterprise that is useful to a wide range of users in making economic decisions .Financial Statements provide useful information to a wide range of users:

Managers require Financial Statements to manage the affairs of the company by assessing its financial performance and position and taking important business decisions.

Shareholders use Financial Statements to assess the risk and return of their investment in the company and take investment decisions based on their analysis.

Prospective Investors need Financial Statements to assess the viability of investing in a company. Investors may predict future dividends based on the profits disclosed in the Financial Statements. Furthermore, risks associated with the investment may be gauged from the Financial Statements. For instance, fluctuating profits indicate higher risk. Therefore, Financial Statements provide a basis for the investment decisions of potential investors.

Financial Institutions use Financial Statements to decide whether to grant a loan or credit to a business. Financial institutions assess the financial health of a business to determine the probability of a bad loan. Any decision Suppliers need Financial Statements to assess the credit worthiness of a business and ascertain whether to supply goods on credit. Suppliers need to know if they will be repaid. Terms of credit are set according to the assessment of their customers' financial health.

Customers use Financial Statements to assess whether a supplier has the resources to ensure the steady supply of goods in the future. This is especially vital where a customer is dependent on a supplier for a specialized component.

Employees use Financial Statements for assessing the company's profitability and its consequence on their future remuneration and job security.

Competitors compare their performance with rival companies to learn and develop strategies to improve their competitiveness.

General Public may be interested in the effects of a company on the economy, environment and the local community.

Governments require Financial Statements to determine the correctness of tax declared in the tax returns. Government also keeps track of economic progress through analysis of Financial Statements of businesses from different sectors of the economy.

There are three basic financial statements:

Balance sheet

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Income statement
Meaning of financial statement analysis:-
Financial statements are written records that convey the business activities and the financial performance of a company. Financial statements are often audited by government agencies, accountants, firms, etc. to ensure accuracy and for tax, financing, or investing purposes.
• Financial statements include:
• Balance sheet
• Income statement
• Cash flow statement
USERS OF FINANCIAL ANALYSIS:
Management
Trade creditors
Investors
Government
Others
Management: Management of the firm would be interested in every aspect of the financial analysis. It is their overall responsibility to see that the resources of the firm are used most effectively and efficiently and that the firm's condition is sound.

FOCUS OF FINANCIAL STATEMENTS ANALYSIS:-
Financial statement analysis is a process which examines past and current financial data for the purpose of evaluating performance and estimating future risks and potential. Financial statement analysis is used by investors, creditors, security analysts, bank lending officers, managers, auditors, taxing authorities, regulatory agencies, labor unions, customers, and many other parties who rely on financial data for making economic decisions about a company. Emphasis of this course is placed on the needs of investors, especially shareholders and bondholders.
Analysis of financial statements focuses primarily on data provided in external reports plus supplementary information provided by management. The analysis should identify major changes or turning points in trends, amounts, and relationships. Financial statements are merely summaries of detailed financial information. Many different groups are interested in getting inside financial statements, especially investors and creditors. Their objectives are sometimes different but often related. However, the basic tools and techniques of financial statement analysis can be effectively applied by all of the interested groups. Financial statement analysis can assist investors and creditors in finding the type of information they require for making decisions relating to their interests in a particular company.

RATIO ANALYSIS
DEFINE OR MEANING OF RATIO
Ratio is simple arithmetical expression of the relationship of one number to another. It may be defined as the indicated quotient of two mathematical expression.
According to the Accountant's Handbook by WIXON ,KELL and Bedford.
" A ratio is an expression of the qualitative e relationship between two numbers".
What does ratio analysis tell us?
After such a discussion and mentioning that these ratios are one of the most important tools that is used in finance and that almost every business does and calculate these ratios, it is logical to express that how come these calculations are of no importance.
What are the points that those ratios put light on them? And how can these numbers help us in performing the task of management?
The answer to these questions is:
We can use ratio analysis to tell us whether the business
Is profitable
Has enough money to pay its bills and debts

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Could be paying its employees higher wages, remuneration or so on
Is able to pay its taxes
Is using its assets efficiently or not
Has a gearing problem or everything is fine
Is a candidate for being bought by another company or investor
Essence of Ratio Analysis:
Financial ratio analysis helps us to understand how profitable a business is, if it has enough money to pay debts and we can even tell whether its shareholders could be happy or not.
Financial ratios allow for comparisons:
Between companies
Between industries
Between different time periods for one company
Between a single company and its industry average
.Financial ratios quantify many aspects of a business and are an integral part of financial statement analysis. Financial ratios are categorized according to the financial aspect of the business which the ratio measure.

IMPORTANCE

Ratio analysis is an important technique of financial analysis. It is a means for judging the financial health of a business enterprise. It determines and interprets the liquidity, solvency, profitability, etc. of a business enterprise.
It becomes simple to understand various figures in the financial statements through the use of different ratios. Financial ratios simplify, summarize, and systemize the accounting figures presented in financial statements.
With the help of ratio analysis, comparison of profitability and financial soundness can be made between one industry and another. Similarly comparison of current year figures can also be made with those of previous years with the help of ratio analysis and if some weak points are located, remedial measures are taken to correct them.
If accounting ratios are calculated for a number of years, they will reveal the trend of costs, sales, profits and other important facts. Such trends are useful for planning.
Financial ratios, based on a desired level of activities, can be set as standards for judging actual performance of a business. For example, if owners of a business aim at earning profit @ 25% on the capital which are the prevailing rate of return in the industry then this rate of 25% becomes the standard. The rate of profit of each year is compared with this standard and the actual performance of the business can be judged easily.
Ratio analysis discloses the position of business with different viewpoint. It discloses the position of business with liquidity viewpoint, solvency view point, profitability viewpoint, etc. with the help of such a study, we can draw conclusion regarding the financial health of business enterprise.

FINANCIAL RATIOS :

OBJECTIVES OF CALCULATION OF RATIO ANALYSIS:

The importance of ratio analysis lies in the fact that it present data on a comparative basis and enables the drawing of inferences regarding the performance of the firm. Ratio analysis helps in concluding the following aspects:
To know about Liquidity Position :
Ratio analysis helps in determining the liquidity position of the firm. A firm can be said to have the ability to meet its current obligations when the y become due. It is measured with the hep of liquidity ratios.
To Know about Long- Term Solvency:
Ratio analysis is helps in assessing the long term financial viability of a firm. Long- term solvency measured by leverage/capital structure and profitability ratios.
To Know about Operating Efficiency:
Ratio analysis determines the degree of efficiency of management and utilization of assets. It is measured by the activity ratios.
To know about Over-All Profitability :

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The management of the firm is concerned about the overall profitability of the firm which end user a reassemble re turn to its owners and optimum utilization of its assets. This is possible if an integrated view is taken and all the ratios are considered together.

Importance and Uses of Ratio Analysis:

Ratio Analysis is important for the company in order to analyse its financial position, liquidity, profitability, risk, solvency, efficiency, and operations effectiveness and proper utilization of funds which also indicates the trend or comparison of financial results that can be helpful for decision making for investment by shareholders of the company.

For Planning and Future Forecasting of the Firm :

Analysts and managers can find a trend and use the trend for future forecasting and can also be used for critical decision making by external stakeholders like the investors. They can analyse whether they should invest in a project or not.

CLASSIFICATIONOF RATIO :

Accounting ratio may be broadly classified into following categories:-

1.Balance sheet ratio:-

Ratios calculated from the different items of the Balance sheet of a concern are called Balance Sheet e.g. Current ratio, Liquid ratio, Ratios. Proprietary Ratio, Capital Gearing Ratio, Debt equity Ratio etc.

2. Revenue Statement Ratio:-

Ratios calculated from the different items of the Profit & Loss A/C of a firm are called Revenue Statement Ratio. E.g. Gross Profit Ratio, Net Profit Ratio, Operating Profit Ratio, Stock Turnover Ratio etc.

3. Mixed Ratio:-

Ratios computed by taking accounting data from the Balance Sheet on the one hand and from Profit & Loss A/C on the other, are called Balance Sheet and Revenue Statement e.g. Net Profit to Proprietors Fund Ratio , Inventory Ratios. Turnover Ratio, Working Capital Ratio etc.

II. RESEARCH METHODOLOGY

Methodology is the process of collecting the information and helps to find out the solution to the selected by the researcher. Whereas research helps to study and find out the technique with the proper process, it is systematic way presenting information research Methodology includes four stages. They are as follows-

collection of data

Analysis of data

Interpretation of data

Presentation of data

Research Design:

Descriptive research is used in this study because it will ensure the minimization of bias and maximization of reliability of data collected. The researcher had to use fact and information already available through financial statements of earlier years and analyse these to make critical evaluation of the available material. Hence by making the type of the research conducted to be both Descriptive and Analytical in nature. From the study, the type of data to be collected and the procedure to be used for this purpose were decided.

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OBJECTIVIS Of THE STUDY

To know the various types of ratio's
To know present financial position of the privi organization limited
To measure the profitability of the organization
To find out the company position of the company
To give suggestion on future decision making if any

HYPOTHESIS OF STUDY

A good accounting ratio give a proper accounting record and effective informal control.
H0: Ratio analysis affects management performance.
H1: Ratio analysis does not affect the management decision.
H0- profit is present financial position is constant
H1- profit is it varied present financial position not constant

LIMITATIONS

The financial analysis is one of the most powerful tools of financial management. Though ratios are simple to calculate and easy to understand, they suffer from serious limitations.
The study was limits to only four years financial data.
The study of conducted with the available data, gathered from annual report on privi organization limited, mahad
The one company only to the availability of the data

Statement of Problem :

The analysis of the financial statements i.e. income statement and the balance sheet it is very difficult to analyse the complete picture of financial performance. Therefore there is a need of applying the modern tools of management accounting to access the exact financial performance and position of the business enterprise
Accounting ratios are relationships expressed in mathematical terms between the figures that are connected with each other in some manner. All companies whether big or small will prefer to be in good financial position. The balance sheet of the company that has been undertaken for the study, furnishes that the company is in good financial position. But the exact worth of the financial position of the company would be better understandable only if it is subjected to analysis such as " Financial statement analysis for the help of ratio analysis ".
Hence the topic for the study is chosen as "Analysis of Financial Statement using Ratio Analysis."

PRIMARY DATA

The concern staffs of PRIVI ORGANIZATATION LIMITED where interviewed questions. He data was collected with the purpose of planning and forecasting .

SECONDARY DATA

Secondary data provide by the organization the present and approximately study is aimed analysis the financial planning and forecasting of PRIVI ORGANIZATATION LIMITED, by covering yearly financial data supplied forecasting in the company's financial accounts.

DATA ANALYSIS

The data will be analysed by using statistical tool and technique. For this project I will be used, Ms word and Ms excel The use of mathematical tools such as percentage, a coefficient of will be use in purposed of analysis. Table, chart etc. Are used

SAMPALE SIZE

For this project company financial data for 3 year are choose as sample representative.

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IMPORTANCE OF THE STUDY

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Financial ratios, based on a desired level of activities, can be set as standards for judging actual performance of a business. For example, if owners of a business aim at earning profit @ 25% on the capital which are the prevailing rate of return in the industry then this rate of 25% becomes the standard. The rate of profit of each year is compared with this standard and the actual performance of the business can be judged easily.

Ratio analysis discloses the position of business with different viewpoint. It discloses the position of business with liquidity viewpoint, solvency view point, profitability viewpoint, etc. with the help of such a study, we can draw conclusion regarding the financial health of business enterprise.

It becomes simple to understand various figures in the financial statements through the use of different ratios. Financial ratios simplify, summarize, and systemize the accounting figures presented in financial statements.

With the help of ratio analysis, comparison of profitability and financial soundness can be made between one industry and another. Similarly comparison of current year figures can also be made with those of previous years with the help of ratio analysis and if some weak points are located, remedial measures are taken to correct them.

If accounting ratios are calculated for a number of years, they will reveal the trend of costs, sales, profits and other important facts. Such trends are useful for planning

NEED OF THE STUDY

The prevalent educational system providing the placement training at an industry being a part of the curriculum has helped in comparison of theoretical knowledge with practical system. It has led to note the convergences and divergence between theory and practice. The study enables us to have access to various facts of the organization. It helps in understanding the needs for the importance and advantage of materials in the organization, the study also helps to exposure our minds to the integrated materials management the various procedures, methods and technique adopted by the organization.

III. REVIEW OF LITERATURE

Financial performance analysis is vital for the triumph of an enterprise. Financial performance analysis is an appraisal of the feasibility, solidity and fertility of a business, sub-business or mission. Altman and Eberhard (1994) reported the use of neural network in identification of distressed business by the Italian central bank. Using over 1,000 sampled firms with 10 financial ratios as independent variables, they found that the classification of neural networks was very close to that achieved by discriminant analysis. They concluded that the neural network is not a clearly dominant mathematical technique compared to traditional statistical techniques.

Gepp and Kumar (2008)

Incorporated the time “bias” factor into the classic business failure prediction model. Using Altman (1968) and Ohlson’s (1980) models to a matched sample of failed and non-failed firms from 1980’s, they found that the predictive accuracy of Altman’s model declined when applied against the 1980’s data. The findings explained the importance of incorporating the time factor in the traditional failure prediction models.

Campbell (2008)

Constructed a multivariate prediction model that estimates the probability of bankruptcy reorganization for closely held firms. Six variables were used in developing the hypotheses and five were significant in distinguishing closely held firms that reorganize from those that liquidate. The five factors were firm size, asset profitability, the number of secured creditors, the presence of free assets, and the number of under-secured secured creditors. The prediction model correctly classified 78.5% of the sampled firms. This model is used as a decision aid when forming an expert opinion regarding a debtor’s likelihood of rehabilitation. No study has incorporated the financial performance analysis of the central public sector enterprises in Indian drug & pharmaceutical Industry. Nor has any previous research examined the solvency position, liquidity position, profitability analysis, operating efficiency and the prediction of financial health and viability of public sector drug & pharmaceutical enterprises in India.

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Kennedy and Muller (1999)

Has explained that "The analysis and interpretation of financial statements are an attempt to determine the significance and meaning of financial statements data so that the forecast may be made of the prospects for future earnings, ability to pay interest and debt matureness (both current and long term) and profitability and sound dividend policy."

T.S.Reddy and Y. Hari Prasad Reddy

Show more content Without subjecting these to data analysis, many fallacious conclusions might be drawn concerning the financial condition of the enterprise. Financial statement analysis is undertaken by creditors, investors and other financial statement users in order to determine the credit worthiness and earning potential of an entity.

Susan Ward (2008)

Emphasis that financial analysis using ratios between key values help investors cope with the massive amount of numbers in company financial statements. For example, they can compute the percentage of net profit a company is generating on the funds it has deployed. All other things remaining the same, a company that earns a higher percentage of profit compared to other companies is a better investment option.1. BALANCE SHEET

In financial accounting, a balance sheet or statement of financial position is a summary of a person's or organization's balances. A balance sheet is often described as a snapshot of a company's financial condition It summarizes a company's assets, liabilities and shareholders equity at a specific point in time. These three balance sheet segment give investors an idea as to what the company owns and owes, as well as the amount invested by the shareholders. of the four basic financial statements, the balance sheet is the only statement which applies to a single point in time.

A company balance sheet has three parts: assets, liabilities and ownership equity. The main categories of assets are usually listed first and are followed by the liabilities. The difference between the assets and the liabilities is known as equity or the net assets or the net worth or capital of the company. It's called a balance sheet because the two sides balance out.It works on the following formula:

Assets = Liabilities + Shareholders Equity

CONTENTS OF BALANCE SHEET

Assets

In business and accounting, assets are economic resources owned by business or company. Any property or object of value that one possesses, usually considered as applicable to the payment of one's de bts is considered an asset. Simplistically stated, assets are things of value that can be readily converted into cash.

The balance sheet of a firm records the monetary value of the assets owned by the firm. It is money and other variable belonging to an individual or business.

(A) Liability

A liability is a debt assumed by a business entity as a result of its borrowing activities or other fiscal obligations (such as funding pension plans for its employees). Liabilities are debts and obligations of the business they represent creditors claim on business assets.

1. PROFIT & LOSS STATEMENT

Income statement, also called profit and loss statement (P&L) and Statement of Operations is financial statement that summarizes the revenues, costs and expenses incurred during a specific period of time – usually a fiscal quarter or year. These records provide information that shows the ability of a company to generate profit by increasingrevenue and reducing costs. The purpose of the income statement is to show managers and investors whether the company made or lost money during the period being reported. The important thing to remember about an income statement is that it represents a period of time. This contrasts with the balance sheet, which represents a single moment in time.

RATIO ANALYSIS :

Ratio analysis is the process of determining and presenting the relationship of items and group of items in the statements. Accounting to Batty J. Management Accounting "Ratio can assist management in its basic functions of forecasting, planning coordination, control and communication".

It is helpful to know about the liquidity, solvency, capital structure and profitability of an organization. It is helpful tool to aid in applying applying judgment, otherwise complex situations.

A. LIQUIDITY RATIOS :

Liquidity ratios are the ratios measure the ability of a company to meet its short term debt obligation. These ratio measure the ability of company to pay of its short-term liabilities when they fall due.

The liquidity ratio are a result of dividing cash and other liquid assets by the short-term borrowing and current liabilities. They show number of time and shirt term debt Obligations are covered by the cash and liquid assets. If the value is greater than 1,it mean the short term Obligations fully covered.

Generally , the higher the liquidity ratios are, the higher the margin of safety that the company process to meet its current liabilities. Liquid ratio greater than 1 indicate that the company is in good financial health and it is Less likely fall into financial difficulties.

Some of the important liquidity ratios are the follow:

1.Current ratio:

The current ratio indicates a company's ability meet to short term debt obligation. The current ratio measure whether or not a firm has enough recourses to pay its debt over the next 12 months. Potential Credited use this ratio and determining whether or not to make short term loons. The current ratio are also give a sense of efficiency Of a company's operating cycle or its ability to turn in product in to cash. The current ratio is also known as working capital ratio.

Calculation (formula):

CURRENT RATIO = CURRENT ASSETS / CURRENT LIABILITIES

2.Quick ratio :

The quick ratio is a measure of a company's ability to meet its short term Obligation using its most liquid assets (near cash or quick assets) . Quick assets include those current assets that presumably can be quick convened to cash bat close to there book values . Quick ratio is viewed as a sign of a company's financial strength or weakness; it give Information About the company's short term liquidity. The ratio tell creditors how much of the company short term debt can be met selling by all company's liquid asset at very short notice . The quick ratio is also known as Theacid-test ratio or quick ratio.

Calculation (formula):

QUICK RATIO = (CURRENT ASSETS – INVESTORIES) / CURRENT LIABILITIES

3.Cash ratio:

Cash is the most liquid asset; a financial analyst may examine Cash Ratio and its equivalent current liabilities. Cash and Bank balances and short-term marketable securities are the most liquid assets of a firm, financial analyst stays look at cash ratio. Trade investment is marketable securities of equivalent of cash. If the company carries a small amount of cash, there is nothing to be worried about the lack of cash if the company has reserves borrowing power. Cash Ratio is perhaps the most stringent Measure of liquidity. Indeed, one can argue that it is overly stringent. Lack of immediate cash may not matter if the firm stretch its payments or borrow money at short notice.

Calculation (formula):

CASH RATIO = BANK + CASH -MARKET STRUCTURE / CURRENT LIABILITIES

B.LEVERAGE RATIOS :

Financial leverage refers to the use of debt finance while debt capital is a cheaper source of finance: it is also a riskier source of finance. It helps in assessing the risk arising from the use of debt capital. Two types of ratios are commonly used to analyse financial leverage.

C. PROFITABILITY RATIOS :

Profitability ratio measure a company's ability to generate earning related To sales , asset and equity. These ratio assess the ability of a company to generate earning, profit and cash flows related to some Matric , often the amount of money invested . They highlight how effectively the profitability of a company is being managed .

For most of these ratios , a higher value of disable. A higher value means that the company is doing well and it is good at generating profit , revenue and cash flows . profitability ratio are Little value in solution. They Give meaningful only when they are analysed in comparison to competitors or compares to the ration in Previous periods. Therefor , trend analysis and industries analysis is required to draw meaningful conclusion the profitability of a company.

Some of the important profitability ratio are as follow:

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1.Gross profit ratio:

First profitability ratio in relation to sales is the gross profit margin the
gross profit margin reflects the efficiency which management nt produces each unit of product. This ratio indicates the average spread between the cost of goods sold and the sales revenue. A high gross profit margin is a sign of good management.

A gross margin ratio may increase due to any of following factors: higher sales prices cost of goods sold remaining constant, bower cost of goods sold, sales prices remaining constant. A low gross profit margin may reflect higher cost of goods sold due to firm's inability to purchase raw material at favourable terms, inefficient utilization of plant and machinery resulting in higher cost of production or due to fall in prices in market.

This ratio shows the margin left after meeting manufacturing costs. It measures the efficiency of production as well as pricing. To analyse the factors underlying the variation in gross profit margin the proportion of various elements of cost (Labour, materials and manufacturing overheads) to sale may study in detail.

Calculation (formula) :-

GROSS PROFIT GROSS PROFIT RATIO / NET SALES × 100

2.Net profit ratio :

Net profit (or profit margin , net margin, return on revenue) is a ratio of profitability calculated as a after-tax net income (net profit) divided by sales (revenue). Net profit margin is displayed as a percentage. It show the amount of each seals dollars left over after all experience have been paid.

Net profit margin is a key ratio of profitability. It is very useful when comparing companies in similar industries. A higher net profit margin means that a company is more efficient at converting sales into actual profit.

Calculation (formula):

NET PROFIT RATIO = PROFIT (AFTER TAX) / REVENUE

3.Return On Equity :

Return on equity (ROE) is the amount of net income returned as a Percentage of shareholders equity. It reveals how much profit a company earned in comparison to the total amount of shareholders equity found of the balance sheet.

ROE is one of the most Important financial ratios and profitability Matric. It is often said to be the Ultimate ratio or the 'Mother of all ratios ' that can be obtained from a company's financial statement. It measures how profitable a company is for the owner of the investment, and how profitability a company employs its equity

Calculation (formula) :

Return on equity is calculated by taking a years worth of earnings and Dividing then by the average shareholders equity for that year, and its expressed as a percentage.

ROE = PROFIT (AFTER-TAX) / NET WROTH

4. EARNING PER SHARE:

This ratio is computed by earning available to equity share holders by the total amount of equity share outstanding. It reveal the amount of period earing's after taxes which occur to each equity share. This ratio is an important index because it indicates whether the wealth of each share holder on a per share basis as changed over the period.

Calculation (formula) :-

EARNING PER SHARE= NET PROFIT / NUMBER OF EQUITY SHARES

5.OPERATING EXPENSES RATIO:

It explains the changes in the profit margin ratio. A higher operating expenses ratio is unfavourable since it will leave a small amount of operating income to meet interest, dividends. Operating expenses ratio is a yardstick of operating efficiency, but it should be used cautiously. It is affected by a number of factors such as external uncontrollable factors, internal factors. This ratio is computed by dividing operating expenses by sales.Operating expenses equal cost of goods sold plus selling expenses and general administrative expenses by sales.

Calculation (formula) :-

OPERATING EXPENSES OPERATING EXPENSES RATIO / SALES ×100

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6.Earnings per Share Ratio :

The earnings per share ratio (EPS ratio) measures the amount of a company's net income that is theoretically available for payment to the holders of its common stock. A company with a high earnings per share ratio is capable of generating a significant dividend for investors, or it may plow the funds back into its business for more growth; in either case, a high ratio indicates a potentially worthwhile investment, depending on the market price of the stock. This measure is only used for publicly-held companies, since they are the only entities required to report earnings per share information.

To calculate the ratio, subtract any dividend payments due to the holders of preferred stock from net income after tax, and divide by the average number of common shares outstanding during the measurement period. This information is available on a company's income statement and balance sheet.

Calculation (formula) :-(NET INCOME AFTER TAX – PREFERRED STOCK DIVIDENDS) = AVERAGE NUMBER OF COMMON SHARES OUTSTANDING

7. DIVIDEND PERSHARE:

The net profit after tax beings to shareholders. But the income they wally receive is the amount of earning as cash dividends.

Calculation (formula) :-

DIVIDEND PER SHARE=-- NUMBER OF SHARES

8. DIVIDEND PAYOUT RATIO:

It measures the relations hip between the returns available to equity shareholders and the dividend paid to them. It reveals what portion of earning per share has been used for paying dividend and what has been retained for sloughing back.

Calculation (formula) :-

DIVIDEND PER SHARE DIVIDEND PAYOUT RATIO=- EARNING PER SHARE

a) Expenses Ratio :

Expanse ratio (expanse to seals ratio) is computed to show the relationship between an individual expense of group of expense and sales . It is computed by dividing a particular expense or group of expense by sales .

A Lower ratio means more profitability and a higher ratio means low profitability. Some expense ratio very the change in sales (I.e. variable expense). The ratio for such expresses dose not change significantly as the sales volume increases and decreases.

For find expresses the ratio changes significantly as a sales volume changes. The ratio is helpful in controlling and estimating future expenses .

9.Turnover ratio:

Active ratio are employed to evaluation the which with the firm manages and utilize its assets .These ratio is also called turnover ratio because they indicates the speed with which assets are being converted or turnover into sales.

The turnover ratio or an activity ratio is measure of movement and indicate as to have frequently an account has move / turn over during a periods.

Activity ratio, thus involve a relationship between sales and assets. A proper balance between sales and assets generally reflect that assets as managed well.

Such ratio are frequently used when performing fundamental analysis on different companies .Some of the important as a follows .

Some of the important turn over ratio are as follows.

10.Fixed asset turnover ratio:-

Fixed asset turnover Compares the sale revenue a company to its fixed assets. This ratio tells us how effectively an efficiently a company is using its fixed assets to generate revenues. This ratio indicates the productivity of the fixed assets in generating revenues. If the company is efficient at managing it's fixed assets. Fixed assets are important because they usually represent the largest components of the total assets.

An increasing Trend trend in fixed asset turnover ratio is desirable because it means that the company has less money tide up in fixed assets for each unit of sales. A declining trend is fixed assets turnover may means that the company is over interesting in the property, plant and equipment

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.Calculation (formula) :-
FIXEDASSETS TURNOVER RATIO = SALES REVENUE/TOTAL FIXED ASSETS

11.Working Capital Turnover Ratio:-

The working capital turnover ratio measures how well a company is utilizing its working capital To support a given level of scales. Working capital is current assets minus current liabilities. A high turnover ratio indicates that management is being extremely efficient in using firm's short term assets and liability to support sales . Conversely, a low ratio indicates that a business is investing in too many accounts receivable and inventory assets to support its sales, which could eventually leads to an excessive amount of bad debits and obsolete inventory .
Calculation (formula) :-
WORKING CAPITAL TURNOVER RATIO=SALES /NET WORKING CAPITAL

12.Interest Coverage Ratio:

The interest coverage ratio or the time interest earned is used to test the firms' debt servicing capacity. The interest coverage ratio is computed by dividing earnings before interest and taxes by interest charges. The interest coverage ratio shows the number of times the interest charges are covered by funds that are ordinarily available for their payment. We can cumulate the interest average ratio as earing's before depreciation, interest and taxes divided by interest.
Calculation (formula) :-
EBIT INTEREST COVERAGE RATIO= INTEREST

13.DEBT RATIO:

Several debt ratios may used to analyse the long-term solvency of a firm The firm may be interested in knowing the proportion of the interest-bearing debt in the capital structure. It may, therefore, compute debt ratio by dividing total total debt by capital employed on net assets. Total debt will include short and long-term borrowings from financial institutions, debentures/bonds, deferred payment arrangements for buying equipment's, bank borrowings, public deposits and any other interest-bearing ban Capital employed will include total debt net worth.

14.Solvency ratio :

The solvency ratio indicates whether a company's cash flow is sufficient to meet its short-term and long term liabilities. The lower a company's solvency ratio, the greater the profitability that it will default on its debt obligation.
The solvency ratio used to examine the ability of a business to meet its long term obligations. The ratio most commonly used by current and prospective lenders. The ratio compares as approximation of cash flow of liabilities. And is derived from the information stated in a company's income statement and balance sheet.
A higher percentage indicate am increases ability to support the liabilities of business over the long term.

15.Valuation ratio ;

A valuation ratio is any one of several calculations that determines whether a particular security is cheap or expensive when compared to a certain measure, such as profits or enterprise value. In other words, valuation ratio helps an investor to determine the cost of an investment with respect to the value or benefits of owning that investment.

16.Growth ratios:

Growth Ratios Profit is vital for any company. We have learned several profitability ratios in our last unit. However, the growth of a company indicates how its business is growing from one period to another. Therefore, in this unit, we will discuss growth ratios. What are Growth Ratios? Growth ratios indicate how fast a company or its business is growing. These ratios measure the rate at which the company is growing.

17.Profit margin :

Profit margin is the ratio of profit remaining from sales after all expenses have been paid. You can calculate profit margin ratio by subtracting total expenses from total revenue, and then dividing this number by total expenses.
The formula is: (Total Revenue – Total Expenses) / Total Revenue.
Profit margin ratio is shown as a percentage. Other names for profit margin are profit margin ratio, gross profit ratio and sales ratio. A company's profit margin ratio can show how well the company is managing its overall finances.
RATIO : CURRENT RATIO
Calculation (formula):
CURRENT RATIO = CURRENT ASSETS / CURRENT LIABILITIES

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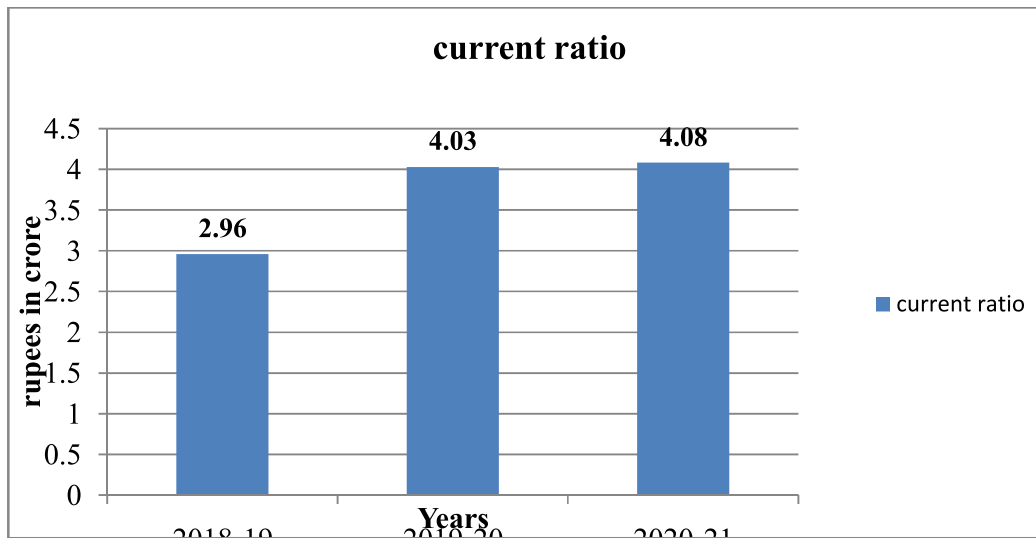
Table no. 4.1

Years	Current assets	Current liabilities	Current ratio
2018-19	81.29	27.42	2.96:1
2019-20	83.12	20.58	4.03:1
2020-21	13.657	33.48	4.08:1

Chart no.4.1



Interpretation:
As we know that ideal current ratio for any firm is 2:1. If we see the current ratio of the company for 2019-20 years it has increased from 2018-19 to 2020-21.RATIO : QUICK RATIO
Calculation (formula):
Quick Ratio = (Current Assets – Investories) / Current Liabilities
Table no. 4.2

Years	Quick assets	Current liabilities	Quick ratio
2018-19	44.14	27.42	1.6:1
2019-20	47.43	20.58	2.3:1
2020-21	61.55	33.48	1.8:1

Chart no.4.2

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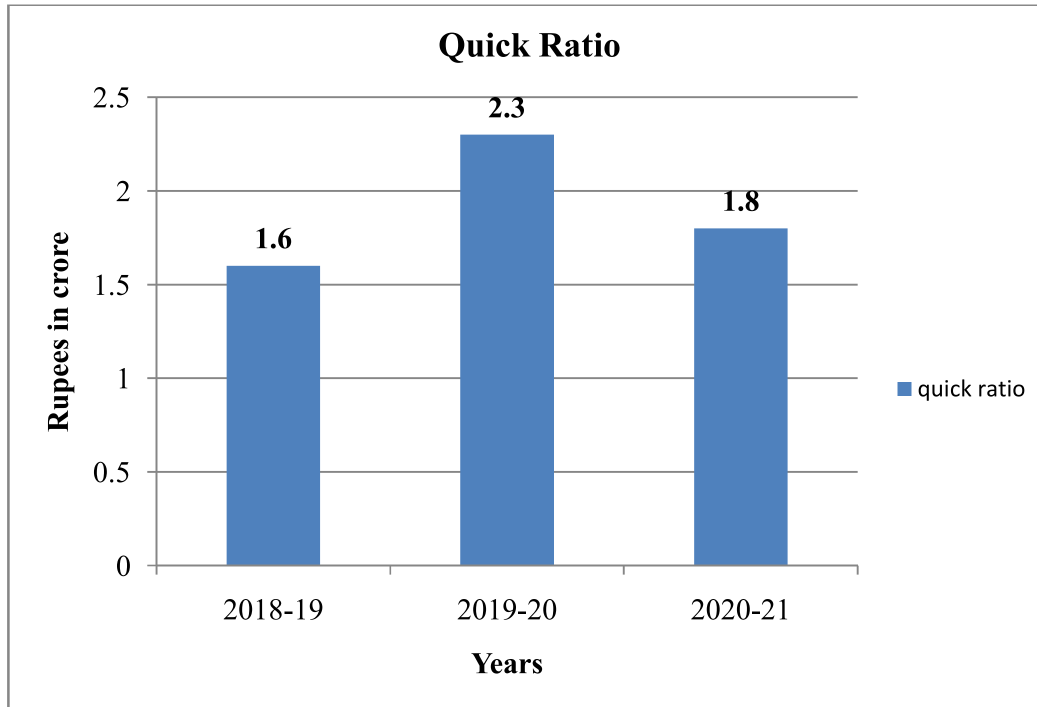
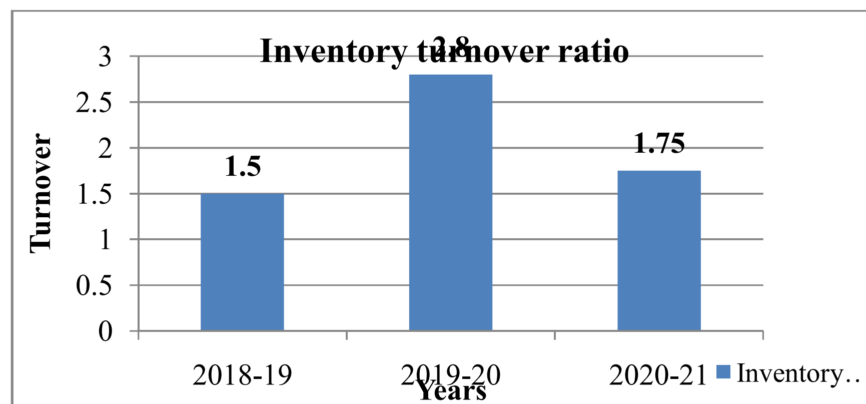


Interpretation: The ideal quick ratio is 1:1. Company's quick ratio is more than ideal ratio. This shows company has no liquidity problem.RATIO : INVENTORY TURNOVER RATIOCalculation (Formula): Inventory Turnover Ratio = Cost Of Good / Sold average InventoryTable no. 4.3

Year	Cash of goods sold	Average stock	Inventory turnover ratio
2019	110.6	73.59	1.5 times
2020	103.2	36.42	2.8 times
2021	96.8	55.35	1.75 times

Chart no.4.3



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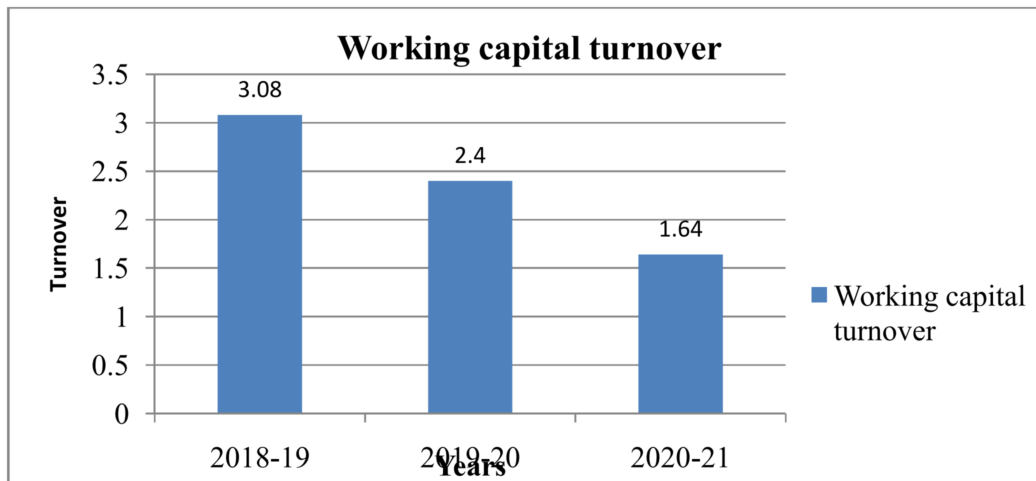
These ratio shows how rapidly the inventory is turning into receivable through sales. In 2019-20 the company has high inventory turnover ratio but in 2020-21 it has reduced to 1.75 times.

RATIO : WORKING CAPITAL TURNOVER RATIO

Calculation (Formula): Working Capital Turnover Ratio = Sales / Net Working Capital Table no. 4.4

Year	Sales	Networking capital	Working capital Turnover
2019	166.0	53.87	3.08
2020	151.5	62.52	2.4
2021	169.5	103.09	1.64

Chart no.4.4



Interpretation:

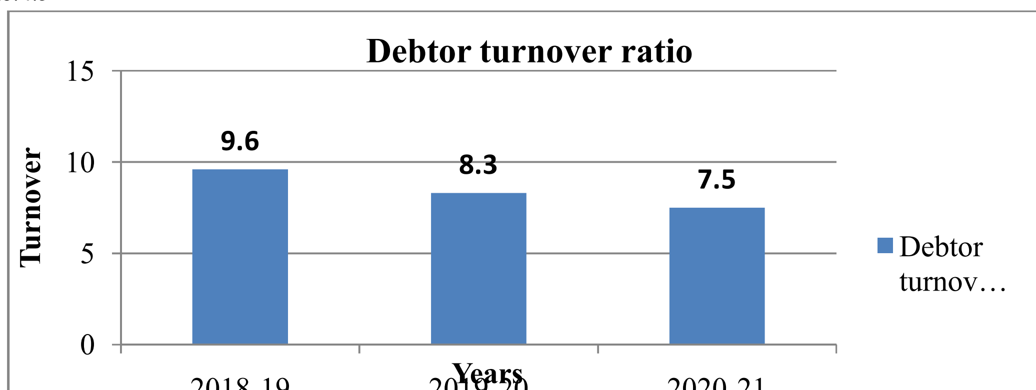
From the above table, the expected working capital turnover for the year 2018-19, 2019-20 and 2020-21 is 3.08, 2.4 and 1.64 respectively.

RATIO : DEBTOR TURNOVER RATIO

Calculation (Formula): Debtors Turnover Ratio = Total Sales (Credit) / Average DebtorsTable no. 4.5

Year	Sales	Average debtors	Debtor turnover Ratio
2019	166.0	17.33	9.6 times
2020	151.5	18.19	8.3 times
2021	169.5	22.50	7.5 time

Chart no.4.5



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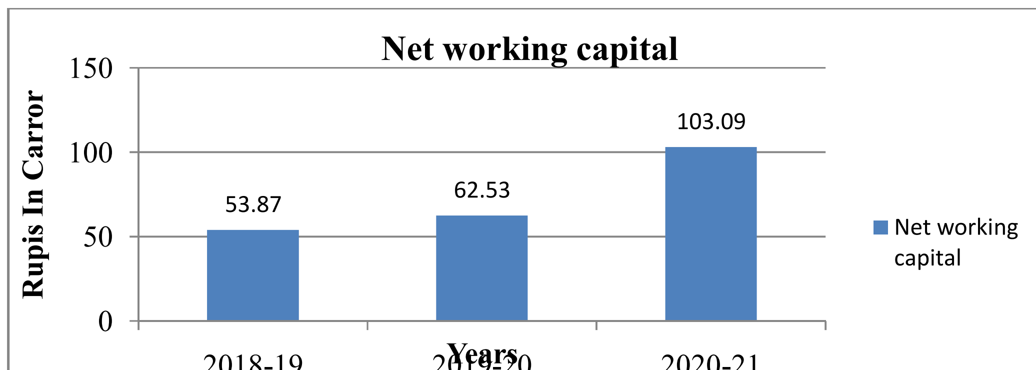
This ratio indicates the speed with which debtors are being converted or turnover into sales. The higher the values or turnover into sales. This shows that company is not utilizing its debtor's efficiency.

RATIO : NET WORKING CAPITAL RATIO

Calculation (Formula): Current Assets ÷ Current LiabilitiesTable no. 4.6

Year	Net working capital
2018-2019	53.87
2019-2020	62.53
2020-2021	103.09

Chart no.4.6



Interpretation:

Working capital is required to finance day to day operations of a firm. In the company there is increase in working capital. The increase in working capital arises because the company has expanded its business.

RATIO : SOLVENCY RATIO

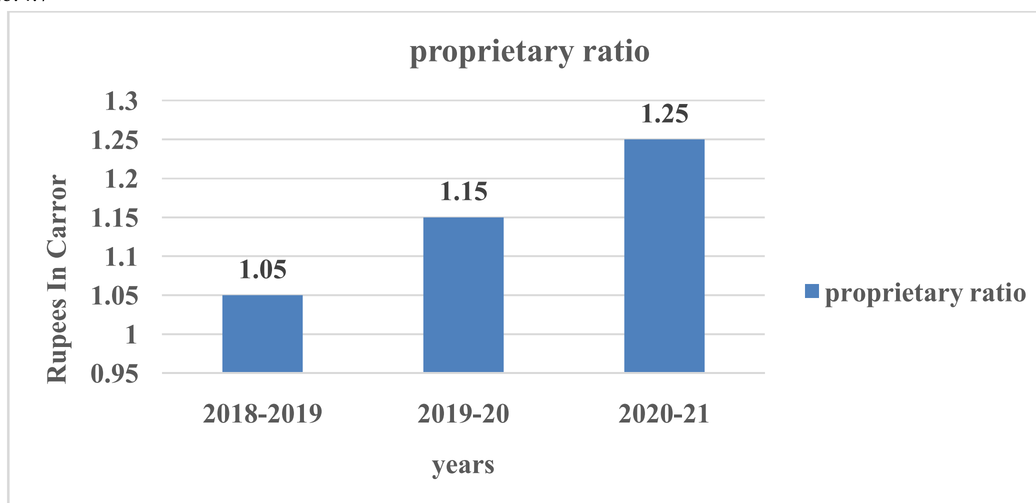
Proprietary ratio :

Calculation (Formula): Proprietary Ratio = Proprietary Fund / Total Assets

Table no. 4.7

Years	Proprietor fund	Total assets	Proprietary ratio
2018-19	1262.27	1196.58	1.05
2019-20	1569.85	1384.80	1.13
2020-21	1981.61	1583.55	1.25

Chart no.4.7



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Interpretation –

From the above table, the expected proprietary ratio for the year 2018-19, 2019-20 and 2020-21 is 1.05, 1.13 and 1.25 respectively. Of these, the proportion of proprietor's funds for financing the total assets is increase. A high ratio will indicate high financial strength. The proprietary is satisfactory for the financial year 2020-21 i.e. 1.2

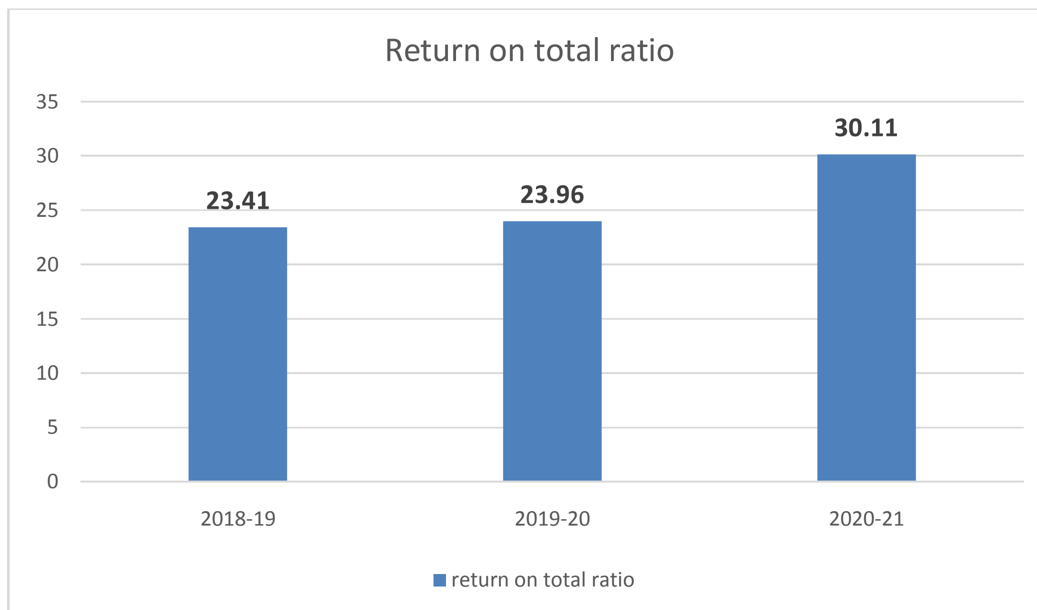
RATIO: RETURN ON TOTAL RATIO

Calculation (formula): Return On Total Ratio = NPAT /Total assets

Table no. 4.8

Years	NPAT	Total assets	Return on total ratio
2018-19	280.17	196.58	23.41
2019-20	331.39	1384.80	23.96
2020-21	47.37	1583.55	30.11

Chart no.4.8



Interpretation-

The industrial standard norms for return on assets are 14 %. The expected return on assets for the year 2018-19, 2019-20 and 2020-21 are 23.41%, 23.94% and 30.15% respectively. The ROA ratio is increased year by year; it shows that the company is expected to get good return on assets. It also shows that the operating of company is good.

RATIO ANALYSIS – NET PROFIT RATIO

Calculation (Formula): Net Profit Ratio = Profit (After Tax) / Revenue

Table no. 4.9

Year	Net profit(rscr)
2018-19	94
2019-20	146
2020-21	116

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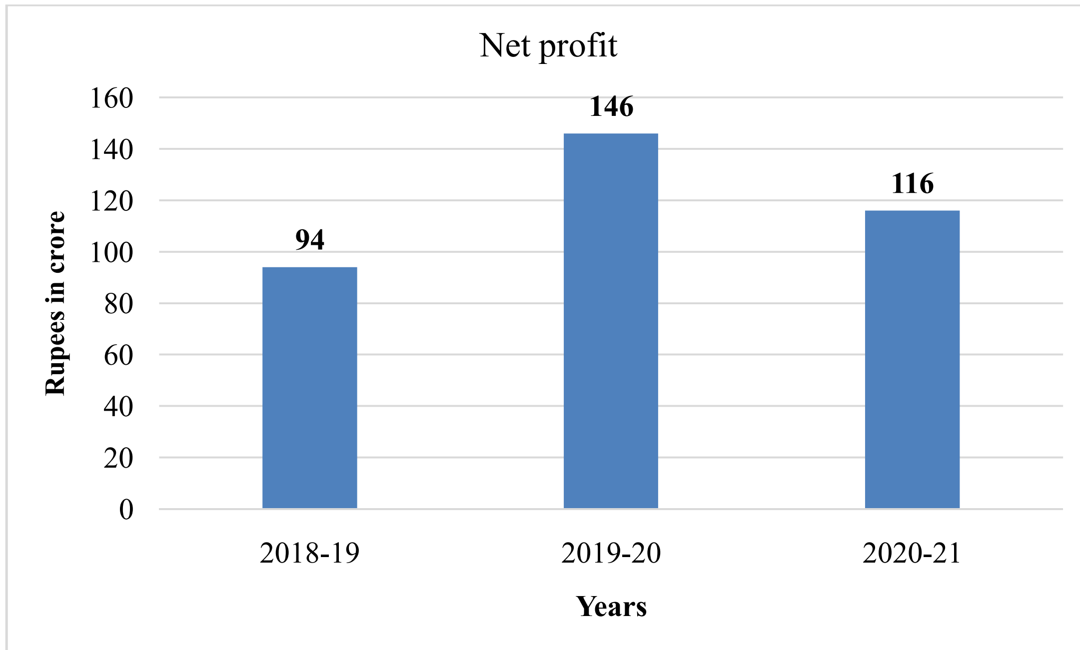
Chart no.4.9



Interpretation :

From the above table, the expected net profit for the year 2018-19, 2019-20 and 2020-21 is 94, 146 and 116 respectively. The year 2019-20 has higher net profit than other two years.

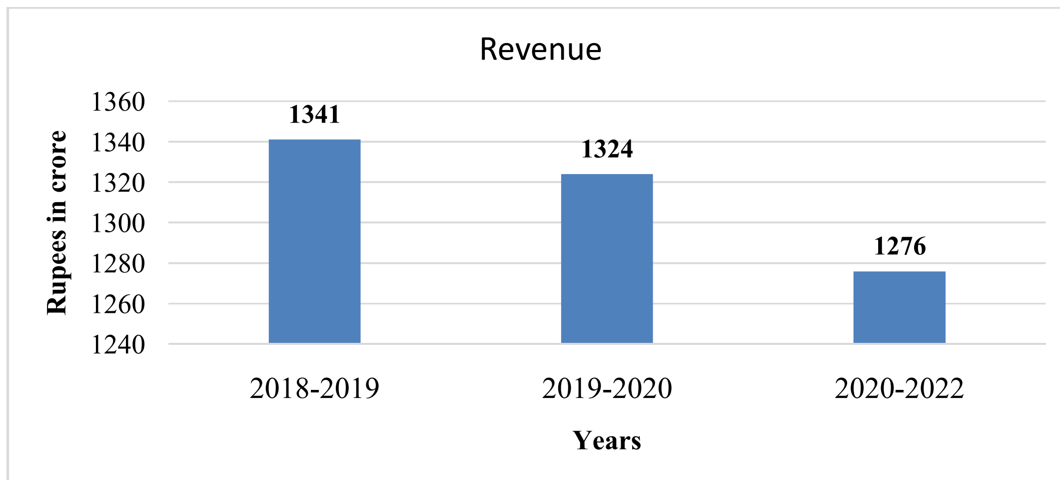
RATIO ANALYSIS – REVENUE RATIO

CALCULATION (FORMULA): REVENUE RATIO = COST OF REVENUE / TOTAL REVENUE.

Table no. 4.10

Years	Revenue (rscr)
2018-2019	1341
2019-2020	1324
2020-2921	1276

Chart no.4.10



Interpretation:

From the above table, the revenue for the year 2018-19, 2019-20 and 2020-21 is 1341, 1324 and 1276 respectively.

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IV. FINDINGS

It was great experience working with DUCOL ORGANIC &COLOURS Pvt.Ltd, PANVEL. Business environment of the organization is goof.

The main objective of the research is to study the financial planning and forecasting of the organization.

A standard current ratio of 4:1 or more is considered satisfactory. The company had satisfactory. The company had satisfactory current ratio

which was in year 2018-19 and 2019-20 i.e.2.96:1&4.03:1 and for rest of the year it was less than the standard; therefore it may be interpreted to be insufficient liquidity.

Company was not facing difficulties in meeting its short term obligation in the year 2019-20. As Quick ratio is more than 1 in the same year.

The firm had higher net profit ratio in the year 2019-20 i.e. 14.67% which shows better utilization of the net profit as well as lower inventory in net profit for the same year. But the net profit ratio satisfactory for rest of the years.

The expenses ratio of the company were showing decreases in each year which indicates that the company earning revenues.

Company was not spending the sufficient amount on R& D department.

V. SUGGESTIONS

The inventory holding period of the company should not to be very high otherwise it will affect the net profit of the company. Company needs to maintain their inventory.

For maintaining the scale of production a company needs to spend more & more on R & D department.

Company needs to spend the sufficient amount on the employees training and development programs which will help the company to improve their profitability.

Company should have to spend more and more on R & D department.

Company should have to maintain amount of cash with themselves, which can help them in emergency.

VI. CONCLUSION

On a final note, I would like to conclude that DUCOL ORGANIC &COLOURS Pvt.Ltd has a decent financial management.

Still then, there's enough room for improvement and further strengthening of it's financial position.

By conducting RATIO ANALYSIS" of the concern .I have observed that the following areas or items need special attention:

Proper utilization of Resources.

Timely using Current Assets.

Securing the position of Creditors by keeping Secured and Unsecured lines within a particular limit.

Increasing return on Capital Assets.

Average collection period should be minimized.

Proper utilization of Working Capital.

Investors value a company by examining its financial position based on its financial statements and calculating certain ratios.

A company's worth is based on its market value.

To determine market value, a company's financial ratios are compared to its competitors

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