

STUDY OF FINANCIAL PERFORMANCE OF SHRIRAM EPC LIMITED

Submitted in partial fulfilment of the requirements for the award of

MASTER OF BUSINESS ADMINISTRATION

by

MANBU C S

(Register No.41410189)



SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

(DEEMED TO BE UNIVERSITY)

Accredited with Grade "A" by NAAC

JEPPIAAR NAGAR, RAJIV GANDHI SALAI, CHENNAI - 600 119

MAY 2023



SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)

Accredited with "A" grade by NAAC | 12B Status by UGC | Approved by AICTE
Jeppiaar Nagar, Rajiv Gandhi Salai, Chennai – 600 119

www.sathyabama.ac.in

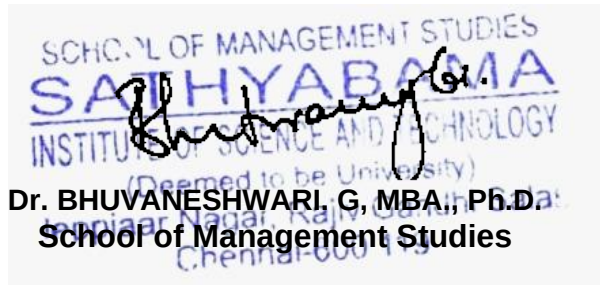
SCHOOL OF MANAGEMENT STUDIES

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **MANBU C S** (Reg.No.41410189), who carried out the project, entitled "A Study of Financial Performance of Shriram Engineering Procurement and Construction Limited" under my supervision from JANUARY 2023 to APRIL 2023.

Dr.S. DHIVYA BHARATHI, MBA, Ph.D.,

Internal guide



External Guide

Submitted for Viva Voce Examination held on 05.05.2023

Internal Examiner

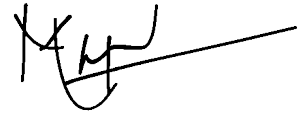
External Examiner

DECLARATION

I **MANBU C S (41410189)** hereby declare that the Project Report entitled “**A Study of Financial Performance of Shriram Engineering Procurement and Construction Limited**” done by me under the guidance of **Dr.S. DHIVYA BHARATHI, MBA, Ph.D.**, is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

DATE: 05.05.2023

PLACE: Chennai

A handwritten signature in black ink, consisting of stylized letters and a long horizontal stroke extending to the right.

MANBU C S

ACKNOWLEDGEMENT

I am pleased to acknowledge my sincere thanks to the **Board of Management of SATHYABAMA** for their kind encouragement in doing this project and for completing it successfully, for which I am grateful to them.

I convey my sincere thanks to **Dr. G. Bhuvaneswari, Dean - School of Management Studies** and **Dr. A. Palani, Head - School of Management Studies** for providing me necessary support and details at the right time during the progressive reviews.

I would like to express my sincere and deep sense of gratitude to my Project Guide **DR.S. DHIVYA BHARATHI, MBA, Ph.D.**, for her valuable guidance, suggestions, and constant encouragement which paved the way for the successful completion of my project work.

I wish to express my thanks to all Teaching and Non-teaching staff members of the **School of Management Studies** who were helpful in many ways for the completion of the project.

MANBU C S

TABLE OF CONTENTS

CHAPTER NO.	TITLE	PAGE NO.
	ABSTRACT	
	LIST OF TABLES	
	LIST OF CHARTS	
1	INTRODUCTION	
	1.1 Introduction	1
	1.2 Industry profile	3
	1.3 Company Profile	8
	1.4 Statement of the problem	11
	1.5 Objectives of the study	11
	1.6 Need for the study	12
	1.7 Scope of the study	12
2	REVIEW OF LITERATURE	
	2.1 Review of Literature	13
3	RESEARCH METHODOLOGY	21
	3.1 Introduction	
	3.2 Research Design	21
	3.3 Source of data	21
	3.4 Tools used for the study	21
	3.5 Period of the study	30
4	DATA ANALYSIS AND INTERPRETATION	
	4.1 Ratio Analysis	31
5	FINDINGS, SUGGESTIONS AND CONCLUSION	
	5.1 Findings	51
	5.2 Suggestions	53
	5.3 Limitation of the study	54
	5.4 Conclusion	54
	REFERENCES	55
	ANNEXURE	57

ABSTRACT

The project titled “study of financial performance of SEPC Ltd is to analyze the financial position of the Company. The objective of this project is to find out the efficiency of the Company using financial ratios like profitability ratios, turnover ratio & solvency ratio of the Company, to find out the liquidity position of the Company, to study the performance of Company through comparative analysis and to provide suitable suggestions improving the financial performance of the Company. The project is pertained to the Company’s data available for the past five years. The conclusions are drawn from the analysis done with the ratios, comparative, common size study. The study evaluates the financial position of the Company with respect to the past five years. It helps the Company to place itself among various other competitive companies. The study through the analysis reveals the pros and cons of the Company’s financial status. It enables the reader to understand the various financial aspects of a Company through uncomplicated interpretation and findings for study purposes.

LIST OF TABLES

TABLE NO.	PARTICULARS	PAGE NO.
4.1.1	Current Ratio	31
4.1.2	Quick Ratio	32
4.1.3	Cash Ratio	33
4.1.4	Gross profit Ratio	34
4.1.5	Inventory Turnover Ratio	35
4.1.6	Cash Turnover Ratio	36
4.1.7	Fixed Asset Turnover Ratio	37
4.1.8	Working Capital Turnover Ratio	38
4.1.9	Cash To Current Assets Ratio	39
4.1.10	Return On Assets	40
4.1.11	Return On Equity	41
4.1.12	Return On Investment	42
4.1.13	Net Profit After Tax	43
4.1.14	Operating Profit Ratio	44
4.1.15	Inventory Holding Period	45
4.1.16	Earing Per Share	46
4.1.17	Book Value Per Share	47
4.1.18	Debt To Equity Ratio	48
4.1.19	Debt To Asset Ratio	49
4.1.20	Return On Equity Ratio	50

LIST OF CHARTS

CHARTS NO.	PARTICULARS	PAGE NO.
4.1.1	Current Ratio	31
4.1.2	Quick Ratio	32
4.1.3	Cash Ratio	33
4.1.4	Gross profit Ratio	34
4.1.5	Inventory Turnover Ratio	35
4.1.6	Cash Turnover Ratio	36
4.1.7	Fixed Asset Turnover Ratio	37
4.1.8	Working Capital Turnover Ratio	38
4.1.9	Cash To Current Assets Ratio	39
4.1.10	Return On Assets	40
4.1.11	Return On Equity	41
4.1.12	Return On Investment	42
4.1.13	Net Profit After Tax	43
4.1.14	Operating Profit Ratio	44
4.1.15	Inventory Holding Period	45
4.1.16	Earing Per Share	46
4.1.17	Book Value Per Share	47
4.1.18	Debt To Equity Ratio	48
4.1.19	Debt To Asset Ratio	49
4.1.20	Return On Equity Ratio	50

CHAPTER 1 – INTRODUCTION

1.1 INTRODUCTION

Management decision making and policy is the greatest important factor for financial management in modern thinking. Today, the role of financial manager is not only passive such as score keeper for the information of accounts and fund arrangements but also, he must be involved in the role of solving complex management problems. And he is not only responsible for shaping the enterprise fortunes but also, he must be involved in the most vital role of management decision of allocating resources. For financial analysis, Ratio analysis is the widely used tool. Quantitative or numerical relationship between two variables is the reference of the term “Ratio”. The Ratio analysis is a systematic use of ratio which is used to determine current financial condition, its historical performance, strength, and weakness of the firm and to interpret the financial statements. It helps to conclude in the aspects of financial health, operating efficiency, and profitability of the firm. It also helps in inter-firm comparison through necessary data. The inter-firm comparison provides the relative position and provides relevant data for comparing the performance of different departments. If there are any variations the reasons for those variations should be identified if the results are negative. This identification helps to get them in line immediately. Ratio analysis is one of the techniques of financial analysis where it is used as a yardstick for evaluating the financial conditions and performance of a firm. Ratio analysis is a powerful tool of financial analysis. It is used as a device to analyze and interpret the financial health of a firm. Analysis of financial statements with the aid of ratios helps the management in decision making and control. Ratio analysis is the widely used tool for appraisal of efficiency and profitability of the business and financial condition. Finance Statements are the basis for decision making by the management as well as other

outsider who are interested in the affairs of the firm such as investors, government, creditors, customers, financial institutions, employees, potential investors, and the public. The kind and type of information contained in financial statements affects their analysis and interpretation. These statements are intended to communicate the profitability situation of a corporation to management and other interested outsiders. The analysis and interpretation of financial statement depend upon the nature and type of information available in these statements. These statements are used to convey to management and other interested outsiders the profitability position of a firm. According to John N. Myer, "Financial statement analysis is largely a study of relationship among the various financial factors in a business, as disclosed by a single set of statements and study of these factors as show in series of statements". The term "Financial Analysis" is also known as analysis and interpretation of financial statements, refer to the process of determining financial strengths and weakness of the firm by establishing strategic relationship between the items of the balance sheet, profit and loss account and other operative data.

The term "Financial statement" generally refers to the two statements:

- The position statement or the balance sheet, and
- The income statement or the profit and loss account.

Features and benefits of financial statement analysis:

Financial statements are the prepared for the purpose of presenting the periodical review or report on the progress by the management and deal with. Status of the investments in the business and Results achieved during the period under review. The analysis of the financial statements spotlights the significant fact and relationship concerning managerial performance, corporate efficiency, financial strength and weakness and credit worthiness.

1.2 INDUSTRY PROFILE

SEPC Limited is a listed public company incorporated on 12 June 2000. It is classified as a public limited company and is in Chennai, Tamil Nadu. Its authorized share capital is INR 1,400.00 cr and the total paid-up capital is INR 1,321.53 cr.

SEPC Limited's **operating revenues range is INR 100 cr - 500 cr** for the financial year ending on 31 March 2022. It is **EBITDA has increased by 62.65 %** over the previous year. At the same time, its book net worth has decreased by -24.98 %.

Description: The company provides integrated design, engineering, procurement, construction, and project management services for renewable energy projects, process and metallurgical plants and municipal service sectors

The status of SEPC Limited is - Active.

The last reported AGM (Annual General Meeting) of SEPC Limited, per our records, was held on 19 September 2022.

SEPC Limited has five directors – **NemmaraKrishnan Suryanarayanan, Ravichandran Rajagopalan,**

The Corporate Identification Number (CIN) of SEPC Limited is L74210TN2000PLC045167. The registered office of SEPC Limited is at 4th Floor, BASCON FUTURA SV IT Park Venkatanarayana Road, Parthasarathy Puram, T. Naga, CHENNAI, Chennai, Tamil Nadu.

Products & Services: Project Development, Infrastructure development, t Plant design, Wind Turbine generator manufacturing

PROJECT DEVELOPMENT

Project development involves organizing and planning all the variables that go into a project, including deciding materials, creating a budget, and creating tasks for team members. It also involves the processes needed to complete a project, like changing the plans throughout project completion and identifying areas of improvement to help the project run more smoothly. Typically, project managers use five steps in project development, which include initiation, planning, execution, controlling and closing. Here are several items to keep in mind throughout project development:

Goals: The goals of a project are the intended outcomes that you want the project to accomplish, and they can include long-term or short-term goals for a workplace

Timeline: The timeline of a project shows the schedule for when team members should complete their project tasks by, which ensures team members coordinate with the development plans and complete their tasks in a timely manner.

Materials: These involve the resources and equipment you need to complete a project

Budget: This is the total amount of finances that your team can spend on a project, and it usually depends on the cost of materials and labor for a project.

Water Infrastructure:

We provide Turnkey solutions which include Design & Implementation of Environmental projects like:

- Water & Sewage Treatment Plants
- Intake wells & Pump houses
- Underground Drainage System
- Water Distribution
- Pipe Rehabilitation

Client	Project Description	Location
Ahmedabad Municipal Corporation (AMC)	60 MLD STP by ASP Technology	Ahmedabad, Gujarat
BHEL-Vindhyachal Power Project (2x500 MW Thermal Power Plant)	Effluent Treatment Plant	Vindhyachal, Uttar Pradesh
BHEL-Santhaldih Power Project (2x500MW Thermal Power Plant)	Effluent Treatment Plant	Santhaldih, West Bengal
Rajasthan Urban Sector Development Investment Program (RUSDIP), IPIU, Barmer, Rajasthan	Construction, Supply, Erection, Testing, Commissioning and five years Operation and Maintenance of Sewage Treatment Plant of 10 MLD including all Civil, Electrical, Mechanical, Pumping and other allied works at BARMER, Rajasthan	Barmer, Rajasthan
Chennai Metro Water & Sewerage Board	Providing UGD work to Kathivakkam in Chennai	Chennai, Tamil Nadu



Ahmedabad Municipal Corporation, Water Treatment Plant, 275 MLD - Raw Water Channel

Process and Metallurgy

Shriram EPC provides turnkey contracting solutions which include Design, Engineering and Construction for:

- Ferrous & Non-Ferrous Industries
- Cement Plants
- Coke Oven & By-product Plants
- Process Plants

- Material Handling
- Transportation

Client	Description of the project	Technology Partners
Madras Aluminium Company Ltd	Supply, fabrication & erection of Electrolytic pots and extension of the existing pot lines	In House
Konkola Copper Mines, Zambia	Gas cleaning plant for copper smelter project	SWEMCO, USA (GCP) Beltran, USA (ESP)
Ennore Coke Limited	120,000 TPA Non-Recovery type Coke Oven plant + 8MW waste Heat Recovery Power Plant	In House
Maithan Ispat Limited	Civil works for Hot Strip Mill	In House
Integrated Steel Plants (SAIL, RINL, Tata Steel, Mecon, Bhilai Engg.)	High Pressure Water jet door cleaning system	In House
SAIL – Durgapur Steel Plant	Installation of COAL DUST INJECTION SYSTEM in Blast Furnaces 3 & 4 on turnkey in consortium	SSIT, China, CISRI, China

POWER

One of the few companies in India that are active in developing a broad range of renewable energy projects. A unique perspective on the renewable energy sector from the point of view of an owner, as well as contractor. Egged on with strong financial backing & appetite towards green energy, SEPC is more than just an EPC contractor.

Providing Turnkey Contracting Solutions for:

- Biomass Power Plants
- Thermal Power Plants
- Wind Farms

Client	Description of the project	Location
Biomass Power Projects		
Global Powertech Equipment's Pvt Limited	7.5 MW - Sugarcane Trash	Vandavasi, Tamil Nadu
Lakshmi Energy and Foods Limited	2x15 MW-Rice Husk	Khamano, Punjab
Orient Green Power Limited	10 MW-Coconut Waste	Pollachi, Tamil Nadu
Shalivahana Constructions Limited	6 MW-Cotton & Chilli Stalk	Mancherial, Telangana
Ravikiran Power Projects Limited	7.5 MW-Rice Husk & Waste Wood	Bellary, Karnataka
Shriram Powergen Limited	7.5 MW-Coconut Waste	Dindigul, Tamil Nadu
Shriram Non-Conventional Energy Limited	7.5 MW-Coconut & Wood Waste	Pattukottai, Tamil Nadu

1.3 COMPANY PROFILE



HISTORICAL BACKGROUND

Shriram Engineering Procurement and Construction Limited is an ISO9001:2000 certified company from DAS certification Ltd. Shriram EPC was incorporated in June 12 of the year 2000 headquartered in Chennai (formerly known as Madras) Tamil Nadu with other office in Mumbai, New Delhi, Kolkata and Beijing and WTC & cooling tower factories in Pondicherry Chennai and Umbergaon (Gujarat). It offers the service include detailed design & engineering, material procurement & overall project and construction management service and one of India's leading 250kw wind turbine generator ('WTG') manufacturers. The company's businesses are categorized into two segments engineering procurement and construction ('EPS') project and development sale and maintenance of WTGs. EPC project of the company experienced and footprint of the same across 16 states in India in WTG section the company also completed wind energy projects throughout India particularly in south India and internationally in Zambia and France. The company's network covers through joint venture partners with lei wind (Lei wind BV ('lei wind')) and Hamon (Hamon thermal Europe an affiliate of Hamon& cie a ('Hamon group') technology partnership with CPT perco angerlehner Danieli (Italy) waterburry (USA) SSIT (China) Danieli (Italy) SMS swemco (USA) and Aker Kvaerner (USA). Shriram EPC Ltd began its operations in the biomass power plants project in Andhra Pradesh. The biomass power plants business is engaged in design engineering and construction.ts process and metallurgy business are engaged in the design engineering and construction of thermal biomass-based power plants. The company commenced its process and metallurgy business in the year 2003.

while in 2004 the company acquired of the cooling towers business of Shriram tower tech limited municipal services business of water and wastewater management and water distribution system, pipe rehabilitation, the business of erection testing and commissioned wind electric generators. Shriram EPC executed the joint operation agreement with the hammon group in the same year 2004 to carry out projects regarding cooling tower solutions. Shriram engineering construction company limited was merged with the company with effect from April 1, 2004, since both companies were in the same line of business namely construction engineering. During the year 2005 and 2006 the company's investment was made by UNO investments and Bessemer venture partners trust respectively. The company received certification engineering during the year 2005 and 2006 the company's investment made by UNO investments and Bessemer venture partners trust respectively. The company received certification by DEWI – OCC for designing and manufacture and marketing of megawatt class wind turbines happened in November of the identical year. On January 16, 2007, we entered into a joint venture agreement with Leitner B.V. Netherlands to set up Leitner. Shriram manufacturing limited an associate company formed for the purposes of manufacturing of megawatt class wind turbines and components and in February 3 2007 the company entered into a joint venture agreement with Leitner B.V. Netherlands to set up Leitner Shriram manufacturing limited an associate company formed for the purposes of manufacturing of megawatt class wind turbines and components and in February 3 2007 the company entered into joint venture agreement with Leitner B.V. Netherlands to set up Shriram lei wind limited a subsidiary company formed for the purposes of marketing of wind farm development and erection and commissioning of wind turbines. In February 2007 the joint venture partners trust ('BVP') for power generation through renewable sources. In September 2007 the company work on a project-to-project basis with chevalier pipe Technology in India. Shriram EPC Ltd is moving with continues action to generate strong financial returns and

create a world-class engineering procurement and manufacturer of company with a particular focus in renewable energy and be a developer and manufacturer technologically advanced WTGs. The company's objective is to expand and enhance the presence throughout India and abroad by capitalizing on competitive strengths local experience and familiarity with local working conditions. Intend to target specific competitive advantages. The company also maintains the relationship with clients and strategic partners of the company to attain the same all above.

The Vision and Mission of the company are as follows.

VISION

To be a leader in engineering and project implementation with a focus on water & infrastructure, process & metallurgy, and mining minerals

MISSION

Grow through mutually beneficial association with customers, technology partners and vendors: apply a systems approach to project management to ensure timely, cost-effective & quality deliverables.

1.4 STATEMENT OF THE PROBLEM

Finance is viewed as a backbone to accelerating economic development of any country. In the present day, economic finance is the provision of money at the time when it is required. At present a firm communicates financial information to the users through financial statements and reports. The financial statement comprises the two most important statements, the balance sheet and profit & loss account. Being the two most important statements of the company, it can aid in improving profitability as well as liquidity without employing further resources and just streamline the existing financial system and the financial information system. Many companies do not have enough time to spend on financial analysis and consider it time consuming. Through this project we can understand the simplest and most effective methods of financial analysis which can contribute to Company growth.

1.6. OBJECTIVES OF THE STUDY

PRIMARY OBJECTIVE

A Study on Financial Performance analysis of SEPC Ltd

SECONDARY OBJECTIVES

- To evaluate the financial performance of **SHRIRAM ENGINEERING PROCUREMENT AND CONSTRUCTION LIMITED**
- To measure the liquidity position of SEPC Ltd.
- To analyze and measure the profitability and financial position of SEPC Limited
- To bring out the results of financial strength and weakness of the entity through Ratio Analysis

1.4 NEED FOR THE STUDY

Financial statement analysis identifies the trends and relationship between financial statement items. Both internal management and external users of financial statements need to evaluate a company's profitability, liquidity, and solvency. It is used for ratio analysis, trend analysis and comparative balance sheet. These methods include calculations and comparisons of the result to historical company data, competitors, or industry averages to determine the relative strength and performance of the company being analysed.

1.7. SCOPE OF THE STUDY

The scope of the study pertained to the financial performance of SEPC LTD. This study is mainly a comparison of five years of its operations, and it aims to reveal the company standard in respect to profitability. It also extends to having a study on ratio, and comparative balance sheets.

CHAPTER 2 – REVIEW OF LITERATURE

2.1. INTRODUCTION

Review of Literatures

- **Sharma Nishi (2011)** Studied the financial performance of passenger and commercial vehicle segment of the automobile industry in terms of four financial parameters namely liquidity, profitability, leverage, and managerial efficiency analysis for the period of decade from 2001-02 to 2010-11. The study concludes that profitability and managerial efficiency of Tata motors as well as Mahindra & Mahindra Ltd are satisfactory, but their liquidity position is not satisfactory. The liquidity position of commercial vehicles is much better than passenger vehicle segment. Singh Amarjit & Gupta Vinod (2012) explored an overview of automobile industry. Indian automobile industry itself as a manufacturing hub and many joint ventures have been setup in India with foreign collaboration. SWOT analysis done there are some challenges by the virtue of which automobile industry faces lot of problems and some innovative key features are keyless entry, electrically controlled mechanisms enhanced driving control, soft feel interiors and need to focus in future on like fuel efficiency, emission reduction safety and durability.
- **Kennedy and Muller (2012)**, 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.”

- **Peeler J. Patsula (2013)**, he defines that a sound business analysis tells others a lot about good sense and understanding of the difficulties that a company will face. We must make sure that people know exactly how we arrived at the final financial positions. We must show the calculation, but we must avoid anything that is too mathematical. A business performance analysis indicates further growth and the expansion. It gives a physiological advantage to the employees and a planning advantage.
- **Chidambaram Rameshkumar & Dr. N. Anbumani (2013)**, he argues that Ratio Analysis enables the business owner/manager to spot trends in a business and to compare its performance and condition with the average performance of similar businesses in the same industry.
- **Gary W. selnow (2003)** examined various approaches to promote retirement investment. His study found that automatic enrolment has a good chance of overcoming the natural impediments to wise decisions about retirement investments.
- **Douglas A. Hersahey and Hendrik p. Van Dalen (2006)** in the study explored the psychological mechanisms that underlie the retirement planning and saving tendencies of Dutch and American Workers the research suggests that policy analysts should consider both individual and cultural differences in the psychological predispositions of workers when considering Pension reforms that stress individual responsibility for planning and saving.

- **M. Kabir Hassan and Dr. Shari Lawrance (2007)** conducted a survey on “An Analysis of Financial preparation for Retirement ‘. In this study, the researcher analyzes the financial preparation for retirement. Regarding retirement plan contributions, the findings indicate significant positive effects regarding income and womanhood. Education is significant and positive as a predictor for the decision to contribute to a pension plan for women in their thirties thus, supporting the hypothesis of a significant positive relationship between education and pension plan Contributions.
- **Takeh Ata & Navaprabha Jubiliy (2015)** Author has made conceptual model to outline the impact of capital structure on the financial performance i.e. capital structure is independent variable that value is measured by using four ratios namely, financial debt, total debt equity, total asset debt and interest coverage ratio whereas financial performance is dependent variable that value is measured by using four ratios as return on assets, return on equity , operating profit margin and return on capital employed. Researchers have selected 13 major steel industries and applied various statistical tools like standard deviation, correlation matrix, anova etc. are employed for testing hypothesis with help of SPSS22.
- **Khanifar, Jamshidi & Mohammadinejad (2012)** has discussed in his paper about factors affecting investor’s decision by performing fundamental analysis. In this research paper finding the true situation he has covered economy, industry and then firm. The population included in the study was brokering firms at Tehram Stock exchange. His study showed that EPS, profit margin, P/E ratio, sales have highest importance in analysts’ decision followed by economy related factor and industry related factor.

- **Jhala (2007)** discussed in her Ph. D thesis about “An Analytical Study of Financial Performance of Refinery Industry of India” and for the purpose of analysis, seven units have taken for the period 1998-2003 for the analytical study of performance of the selected units. In this research, she has covered the financial aspects of these 7 units and has been analyzed by performance analysis. She had tried to get most significant and viscous finance related data of the selected units and Z-score, Anova test, various ratio analysis, correlation matrix trend analysis, as well as multivariable analysis method have been used to analyse the data of the units. She concluded from the liquidity test, it can be said that CPCL has average liquidity position, it has better liquidity position but however it was also below standard level. BPCL, IOC, MRP has very poor liquidity position and seeing to working level efficiency, KRL has very good inventory turnover performance, but it was poor in debtors’ turnover performance as well as BPCL was good to debtors’ turnover but not in inventory turnover efficiency.
- **Sharma (2011)** discussed about financial performance of Indian Automobile Industry by using data of seven automobile companies for the period 2001-02 to 2010-11. The financial performance of Mahindra & Mahindra Limited as well as Tata Motors seemed very satisfactory in terms of profitability as well as managerial efficiency to generate sales from the use of assets. But their liquidity positions did not seem sound. The liquidity position of commercial vehicle manufacture was better than passenger vehicle manufacturers. The trend of profitability of selected units, particularly that of passenger vehicle manufacturers showed a downward slope which was a consequent of rapid rise in the price of petrol as well as increment in the price of components used for production and growing incidence of interest rate.

- **Selvarani (2013)** has discussed in the research article about “Financial Analysis on Sundaram Clayton Limited”. This paper main objective was to review the financial performance of Sundaram Clayton Limited which was a market leader in the field of air and assisted Brake actuation system for a wide range of commercial and earth moving vehicles in India. This study was based on secondary data collected from the annual reports of the company for the last 5 years 2006-2010 by tabulating, analyzing, and interpreting with the help of different financial ratios, Multivariate Discriminate Analysis (MDA as developed by Prof. Altman) and trend analysis. In this research paper, she has concluded that the company was performing well. Based on analysis, she has suggested the use of debt which is very low currently and concluded that the company must take steps to improve profitability.
- **Chauhan (2014)** discussed in his paper about A Study on Fundamental Analysis of Indian Automobile Industry using the period of 2009 to 2013 and selected companies like Tata Motors and Maruti Suzuki. Industry analysis was based on economic analysis (GDP) and industry analysis. They used SWOT 64 analysis to overcome the weakness and grab the opportunities available in automobile industries in consideration of strengths and threats. They concluded that Fundamental analysis is an important technique to find the value of stock as it considers all past information about country, industry, and company. This paper revealed that although the GDP of India is declining still the automobile sector is shining as there is continuous increase in the production of total no of vehicles in the industry. SWOT analysis presents that major strength of Indian automobile industry is large domestic market and availability of cheap labor and raising demand from rural areas of India is acting as the opportunity in expansion of the market.

- **Singla (2013)** has discussed in his paper about comparison of financial performance between Steel Authority of India and TATA Steel Ltd for the period 2008 to 2012. To analyze the financial performance, he has included the analysis of working capital, analysis of fixed assets and analysis of profitability. He has concluded after comparative analysis of both the firms that performance of TATA STEEL LTD. was better than the SAIL because the Net profit of TATA STEEL LTD. was greater than the SAIL as well as the inventory management of the TATA STEEL LTD. was better than the SAIL.
- **Tariq Zafar & Khalid (2012)** have discussed about “A Comparative Evaluation of Financial Performance and Market Value of Maruti& Tata Company”. To analysis, they have been selected two most preferred companies like Maruti Suzuki Ltd. and Tata Motors Ltd., and for the using period of 2006-2010. They tried to analyze qualitative and quantitative performance of both companies and to investigate their risk and returns factors, their market position, their collective impact on profitability and to come up with the best and worst performing company by using modern performance evaluating techniques and later ranking them according to their achieved performance. They concluded from the ratio analysis there was a lack authenticity in data, in calculation which may manipulating presentation by the promoters. They have also found that different firms follow different accounting policies like depreciation allowance, valuation of inventory etc. and often management ignores these differences while making inter-firm comparisons. They revealed that the change in price levels due to inflation is also not properly considered by management.

- **Anand & Malhotra (2007)** have discussed in his study about Working Capital performance of corporate in India: by selecting the develop quantitative benchmarks at the firm and the industry level, so they were able to evaluate the working capital management performance of corporate India from time to time. They analyze that Corporate India has achieved a compound Annual growth Rate (CAGR) of 26.30% in net sales and 1.60 % in the three- year average cash operating margins during the period of study. They also observed that the length of the operating cycle and cash conversion cycle has reduced by 10. 2% and 12.7% respectively on compounded annual basis. They found in their paper very little evidence of the positive relationship between working capital management and firm profitability. They also concluded that the dynamics of risk-return trade off, which will help the performance evaluation of working capital management of corporate India.
- **Ghosh & Sinha (2007)** have discussed about Firm's capital structure Decision help an Investor (A Risk Averter or Risk Taker) A case study on Automobile Industry in India. In this research, the question of relevance of the capital structure in the context of Shareholder's value maximization remains unsolved yet. In this paper they analyzed, hypothesis was leveraging variable could explain firm's value maximization and the same have been tested in the context of the Automobile industries in India. The results revealed that shareholders' returns were very significant with significant variance in the firm's debt levels. Firm were more conventional in maintenance of long-term debt to equity ratio than that of total debt to equity ratio. Increase in debt levels did not always contain good news to the investors and risk takers act differently.

- **Chakra barty (2008)** in his research tried to evaluate the relationship between working capital and profitability by 25 selecting companies in the Indian pharmaceutical industry for the period 1996-97 to 2007-08. To analysis, he has found out the important ratios related working capital and profitability, regression, coefficient variation, coefficient relation and multiple regressions also. Based on analysis, he has noticed that the inadequacy of working capital may lead to the firm insolvency, whereas excessive working capital implies an idle fund which earns no profits. Therefore, efficient management of working capital was an integral part of the overall corporate strategy to improve corporate profitability. The results also showed that the partial regression coefficients shown in the multiple regression equation of ROCE on CR, ITR and DTR fitted in this study revealed that the liquidity management, inventory management and credit management made positive contribution towards improvement of the corporate profitability.
- **Pandey & Singh (2008)** in their research, they have studied working capital management by analyzing current assets and current liabilities. 55 have concluded, by maintaining high inventory levels reduce the cost of possible interruption in the production process or of loss of business due to the scarcity of products, reduces supply costs and protects against price fluctuations. They mentioned in their study, granting trade credit favors the firm's sales in various ways and trade credit can act as an effective price cut and incentives to customers to acquire merchandise at times of low demands. Thus, they found that greater the investment in current assets, lower is the risk, and profitability obtained and equally trade credit was a Spontaneous source of financing that reduces that amount required to finance the sums tied up in the inventory and account receivables. They have concluded that profitability and liquidity comprise the salient and all too often conflicting goals of working capital management.

CHAPTER 3 – RESEARCH METHODOLOGY

3.1. METHODOLOGY:

Research methodology is mainly needed for the purpose of framing the research process and the designs and tools that are to be used for the project purpose. This research follows the analytical research methodology which is based on quantitative data that is already collected by someone for different purposes. For an effective result from the research the study should be done with secondary sources of data. The main source for this secondary data is the annual reports of the company. The reference from the books like financial management, management accounting or any other standard textbooks can be used. Statistical and non-statistical tools can be used for the analyzation of data. Additionally, to achieve the efficiency of financial analysis conventional tools can also be used. This time research methodology is framed for the purpose of finding the level of

STUDY OF FINANCIAL PERFORMANCE OF SEPC Ltd

3.2 RESEARCH DESIGN:

In this study the researcher is going to analyse financial performance by using relevant tools and techniques, analytical research design is used.

3.3 Source of the Data:

Secondary Data has been collected from sources like Company reports, magazines, journals, and annual reports.

3.4 Tools used for the study:

- Ratio analysis.
- Comparative balance sheet statements.
- Bar Diagram

The analyses the performance of the SEPC LTD, the researcher has identified ratios namely.

CURRENT RATIO:

- The current ratio compares all company's current assets to its current liabilities.
- These are usually defined as assets that will be turned into cash in a year or less and liabilities that will be paid in a year or less.
- One weakness of the current ratio is its difficulty of comparing the measure across industry groups.

$$\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities}$$

QUICK RATIO

- The quick ratio measures a company's capacity to pay its current liabilities without needing to sell its inventory or obtain additional financing.
- The quick ratio is considered a more conservative measure than the current ratio, which includes all current assets excluding inventories as coverage for current liabilities.
- The quick ratio is calculated by dividing a company's most liquid assets like cash, cash equivalents, marketable securities, and accounts receivables by total current liabilities.

$$\text{Quick ratio} = \text{Quick assets} / \text{current liabilities}$$

CASH RATIO

- The cash ratio is a liquidity measure that shows a company's ability to cover its short-term obligations using only cash and cash equivalents.
- The cash ratio is derived by adding a company's total reserves of cash and near-cash securities and dividing that sum by its total current liabilities.
- The cash ratio is more conservative than other liquidity ratios because it only considers a company's most liquid resources.
- A calculation greater than 1 means a company has enough Cash and Cash equivalents than short-term debts, while a calculation less than 1 means a company has more short-term debt than Cash and Cash equivalents.

$$\text{Cash Ratio} = \text{Cash \& Bank balances} / \text{Current Liabilities}$$

GROSS PROFIT RATIO

- The opening stock is understated, or the value of the closing stock is overstated.
- There is an increase in the selling price of the goods without a corresponding increase in the cost of goods sold.
- Similarly, there is a decrease in the cost of goods sold without a corresponding reduction in the selling price.
- There must have been errors while recording the purchases or sales figures. For example, the purchase might have been omitted, or sales figures might have been recorded more than the actual sales, i.e., boost.

$$\text{GROSS PROFIT RATIO} = \text{G.P./Net Sale} \times 100$$

INVENTORY TURNOVER RATIO:

- Inventory turnover measures how efficiently a company uses its inventory by dividing the cost of goods sold by the average inventory value during the period.
- Inventory turnover ratios are only useful for comparing similar companies and are particularly important for retailers.
- A relatively low inventory turnover ratio may be a sign of weak sales or excess inventory, while a higher ratio signals strong sales but may also indicate inadequate inventory stocking.
- Accounting policies, rapid changes in costs, and seasonal factors may distort inventory turnover comparisons.

$$\text{INVENTORY TURNOVER RATIO} = \text{COST OF GOODS SOLD} / \text{AVERAGE INVENTORY}$$

CASH TURNOVER RATIO:

- The cash turnover ratio (CTR) is a profitability and efficiency ratio that measures how many times a company uses its cash to generate revenues. It measures the efficiency of a company to turn over its cash balance into sales revenue in an accounting period.
- A high cash turnover ratio means that the company is turning over its cash quickly, resulting in very efficient cash management. A low cash turnover ratio means that the company is not efficient, and it takes too long before it makes a complete cycle of cash flow in the economy.
- The cash turnover ratio is an efficiency ratio that reveals the number of times that cash is turned over in an accounting period.

$$\text{Cash Turnover Ratio} = \text{Revenue} / \text{cash and cash equivalents}$$

FIXED ASSET TURNOVER RATIO

- The fixed asset turnover ratio reveals how efficient a company is at generating sales from its existing fixed assets.
- The fixed asset turnover ratio is calculated by dividing net sales by the average balance in fixed assets.
- A higher ratio implies that management is using its fixed assets more effectively.
- A high FAT ratio does not tell anything about a company's ability to generate solid profits or cash flows.
- The fixed asset turnover is like other turnover ratios such as the assets turnover ratio, though the fixed asset turnover ratio uses a subset of assets to compare a company's activity against
- The average fixed assets are only non-current fixed assets, and the financial ability are not considered.

$$\text{FIXED ASSET TURNOVER RATIO} = \text{NET SALES} / \text{AVERAGE FIXED ASSETS}$$

WORKING CAPITAL TURNOVER RATIO:

- Working capital turnover measures how effective a business is at generating sales for every dollar of working capital use.
- A higher working capital turnover ratio is better and indicates that a company can generate a larger number of sales.
- However, if working capital turnover rises too high, it could suggest that a company needs to raise additional capital to support future growth.

$$\text{Working capital Turnover ratio} = \text{Net Sales} / \text{Working Capital}$$

- Net annual sales are the sum of a company's gross sales minus its returns, allowances, and discounts over the course of a year.
- Average working capital is average current assets less average current liabilities

CASH TO CURRENT ASSET RATIO:

- Cash to current assets is a liquidity ratio that measures how much of the current assets in a company are made up of cash and cash equivalents.
- The current assets of a company refer to any asset that can quickly be sold or consumed in less than twelve months. Companies depend on such assets to pay for their day-to-day operations, such as employees' salaries and other short-term liabilities.
- Current assets include cash and cash equivalents, short-term investments such as marketable securities, accounts receivable, inventories, and prepaid expenses. Cash and cash equivalents and marketable securities form the most liquid current assets and can be referred to as "cash". When we compare cash to the total current assets of a company, we get cash to current asset ratio.

$$\text{CASH TO CURRENT ASSET RATIO} = \text{CASH} / \text{CURRENT ASSET}$$

RETURN ON ASSETS:

- Return on net assets (RONA) compares a firm's net profits to its net assets to show how well it utilizes those assets to generate earnings.
- A high RONA ratio indicates that management is maximizing the use of the company's assets.
- Net income and fixed assets can be adjusted for unusual or non-recurring items to gain a normalized ratio result.

$$\text{RETURN ON ASSETS (RONA)} = \text{BEFORE TAX} / \text{AVG. TOTAL ASSETS}$$

RETURN ON EQUITY:

- Return on equity (ROE) is the measure of a company's net income divided by its shareholders' equity.
- ROE is a gauge of a corporation's profitability and how efficiently it generates those profits.
- The higher the ROE, the better a company is at converting its equity financing into profits.
- To calculate ROE, divide net income by the value of shareholders' equity.
- ROEs will vary based on the industry or sector in which the company operates.

$$\text{RETURN ON EQUITY} = \text{AFTER TAX} / \text{SHARE HOLDERS}$$

RETURN ON INVESTMENT:

- Return on investment (ROI) is an approximate measure of an investment's profitability.
- ROI is calculated by subtracting the initial cost of the investment from its final value, then dividing this new number by the cost of the investment, and finally, multiplying it by 100.

- ROI has a wide range of uses. It can be used to measure the profitability of stock shares, to decide whether to purchase a business, or to evaluate the success of a real estate transaction.
- One disadvantage of ROI is that it doesn't account for how long an investment is held.

$$\text{ROI} = \text{NPAT} / \text{cap. Employed} * 100$$

Net profit Ratio:

- Net profit after tax, or net operating profit after tax (NOPAT), is a financial measurement.
- It represents how well an organization's core operations performed net of profit. It excludes the tax savings an organization may receive because of its existing debt, and it also excludes one-time losses or charges, such as charges related to an acquisition.
- Net profit after tax excludes these one-time charges because they don't provide an accurate representation of the organization's true profitability.

$$\text{NPAT Ratio} = \text{NPAT} / \text{sales} * 100$$

Operating profit ratio:

- Operating Profit Ratio is referred to as the ratio that is used to define a relationship between the operating profit and the net sales.
- Operating profit is also known as Earnings before interest and taxes (EBIT) and net sales can also be defined as the revenue that is earned from the operations.
- Operating profit ratio is one type of profitability ratio and is therefore expressed in the form of a percentage.

- Net sales consist of cash and credit sales. Therefore, the operating profit ratio helps in comparing the operating profit earned by a business in relation to the revenue that will be generated by the business.

$$\text{Operating profit ratio} = \frac{\text{op. profit}}{\text{net sale}} \times 100$$

INVENTORY HOLDING PERIOD:

- The inventory holding period tells the company how long funds are tied up in the form of inventory before they are realized as sales. The value of the inventory holding period varies depending upon the type of business and industry.
- The service industry will have no inventory and, hence, the value of the inventory holding period will be zero. Businesses selling consumable products will have a higher inventory holding period compared to a business selling luxury products.
- Therefore, while assessing the value of the ratio, they are usually compared with standards and businesses in the same industry. It can have a high or low value based on the comparison.

$$\text{INVENTORY HOLDING PERIOD} = \frac{\text{DAYS IN A YEAR}}{\text{INVENTORY TURNOVER RATIO}}$$

Earning Per Share

- Earnings per share (EPS) is a company's net profit divided by the number of common shares it has outstanding.
- EPS indicates how much money a company makes for each share of its stock and is a widely used metric for estimating corporate value.
- A higher EPS indicates greater value because investors will pay more for a company's shares if they think the company has higher profits relative to its share price.

- EPS can be arrived at in several forms, such as excluding extraordinary items or discontinued operations, or on a diluted basis.
- Like other financial metrics, earnings per share is most valuable when compared against competitor metrics, companies of the same industry, or across a period.

$$\text{EPS} = \text{AFTER TAX} / \text{SHARES OUTSTANDING}$$

BOOK VALUE PER SHARE:

- book value per share (BVPS) takes the ratio of a firm's common equity divided by its number of shares outstanding.
- Book value of equity per share effectively indicates a firm's net asset value (total assets - total liabilities) on a per-share basis.
- When a stock is undervalued, it will have a higher book value per share in relation to its current stock price in the market.
- BVPS is used mainly by stock investors to evaluate a company's stock price.

$$\text{BVPS} = \text{TOTAL EQUITY} - \text{PREFERRED EQUITY} / \text{TOTAL NO. OF. SHARES OUTSTANDING}$$

DEBT – TO – EQUITY RATIO:

- Debt-to-equity (D/E) ratio compares a company's total liabilities with its shareholder equity and can be used to assess the extent of its reliance on debt.
- D/E ratios vary by industry and are best used to compare direct competitors or to measure change in the company's reliance on debt over time.
- Among similar companies, a higher D/E ratio suggests more risk, while a particularly low one may indicate that a business is not taking advantage of debt financing to expand.
- Investors will often modify the D/E ratio to consider only long-term debt because it carries more risk than short-term obligations.

$$\text{DEBT/EQUITY} = \text{TOTAL LIABILITIES} / \text{TOTAL SHAREHOLDERS' EQUITY}$$

DEBT TO ASSETS RATIO

- The total-debt-to-total-assets ratio shows the degree to which a company has used debt to finance its assets.
- The calculation considers all the company's debt, not just loans and bonds payable, and considers all assets, including intangibles.
- The total-debt-to-total-assets ratio is calculated by dividing a company's total amount of debt by the company's total amount of assets.
- If a company has a total-debt-to-total-assets ratio of 0.4, 40% of its assets are financed by creditors, and 60% are financed by owners' (shareholders') equity.
- The ratio does not inform users of the composition of assets nor how a single company's ratio may compare to others in the same industry.

$$\text{DEBT TO ASSET RATIO} = \text{TOTAL DEBTS} / \text{TOTAL ASSETS}$$

RETURN ON EQUITY RATIO:

- Return on equity (ROE) is the measure of a company's net income divided by its shareholders' equity.
- ROE is a gauge of a corporation's profitability and how efficiently it generates those profits.
- The higher the ROE, the better a company is at converting its equity financing into profits.
- To calculate ROE, divide net income by the value of shareholders' equity.
- ROEs will vary based on the industry or sector in which the company operates.

$$\text{ROE} = \text{NET INCOME} / \text{SHAREHOLDER'S EQUITY}$$

3.5 PERIOD OF THE STUDY:

The period of the study covers 5 years from 2017-2018 to 2021-2022. The required data for the past 5 years was collected from the annual reports of the company.

CHAPTER 4

4.1. DATA REPRESENTATION AND INTERPRETATION

4.1.1: CURRENT RATIO

Current Ratio= Current Assets/Current Liabilities

Table No :4.1.1 Current Ratio

(Rs lakhs)

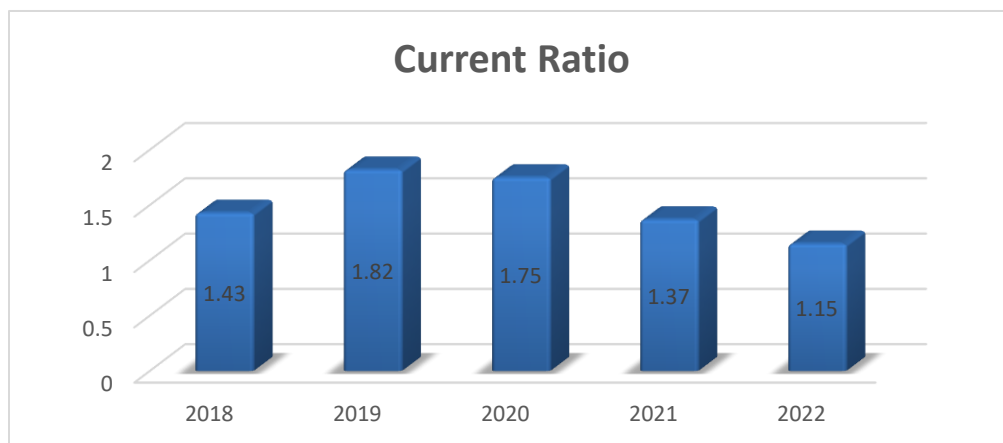
YEAR	CURRENT ASSETS	CURRENT LIABILITIES	RATIO
2017-2018	137215.05	95473.90	1.43
2018-2019	149592.56	82040.40	1.82
2019-2020	148060.40	84224.73	1.75
2020-2021	134630.25	97818.36	1.37
2021-2022	123885.41	107385.14	1.15

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

The current ratio compares current assets with current liabilities and tells us whether the current assets are enough to settle current liabilities. It is inferred from the table that the higher current ratio of Shriram EPC is 1.82 in the year 2019 and the lowest was 1.15 in the year of 2022. Which is less than the ideal norms of 2: 1.the ratio is fluctuating.

Chart No:4.1.1 CURRENT RATIO



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.2: QUICK RATIO

Quick ratio= Quick assets /current liabilities

Table 4.1.2

(Rs lakhs)

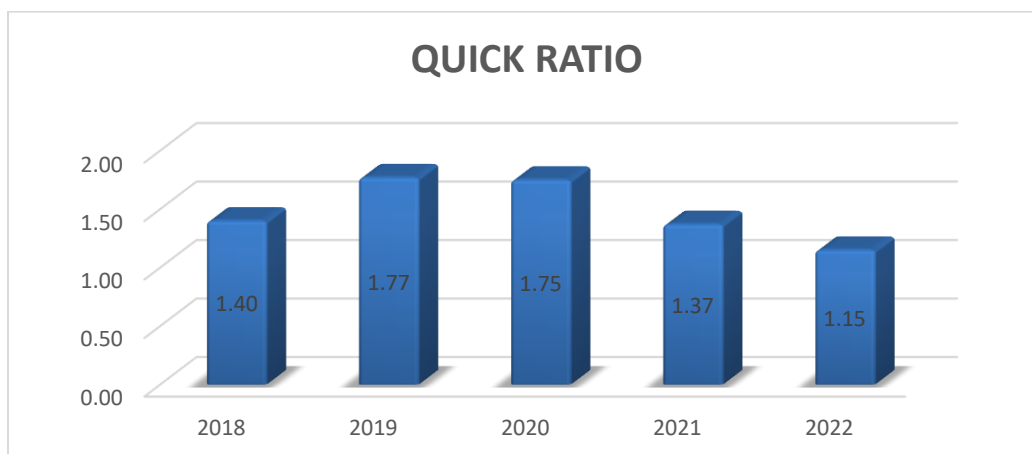
YEAR	QUICK ASSETS	CURRENT LIABILITIES	RATIO
2017-2018	133479.48	95473.90	1.40
2018-2019	145743.32	82040.40	1.77
2019-2020	147735.54	84.224.73	1.75
2020-2021	134382.05	97818.55	1.37
2021-2022	123885.41	107385.14	1.15

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

An acid-test of 1:1 is considered satisfactory unless the majority of "quick assets." are in accounts receivable, and the pattern of accounts receivable collection lags. The acid test ratio of the company is (2017-2018 to 2021-2022) 1.4, 1.78, 1.75, 1.37, 1.15 which is in line with the ideal norms. But the ratio is declining every year which is depicted from the given chart from the year 2018-2019

Chart 4.1.2 QUICK RATIO



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.3 CASH RATIO

Cash Ratio=Cash & Bank balances/Current Liabilities

Table 4.1.3

(Rs lakhs)

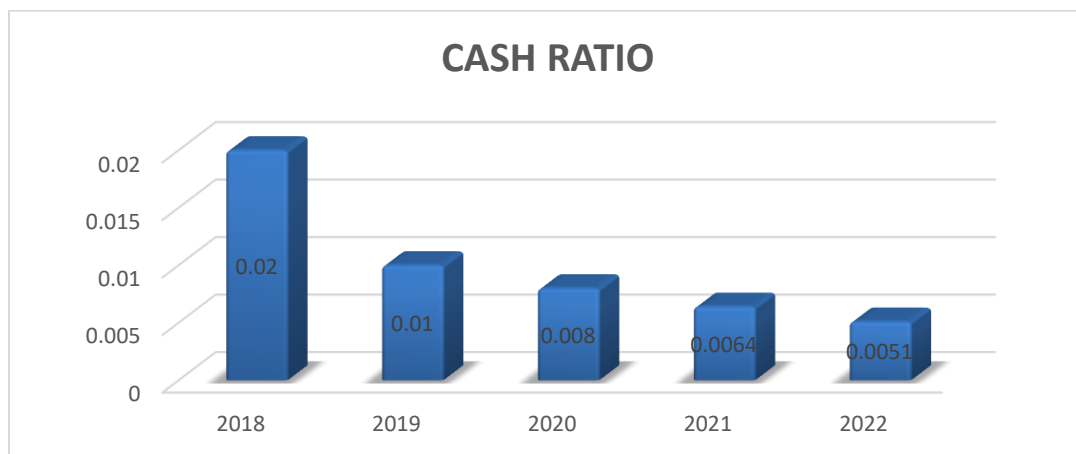
YEAR	CASH & BANK BALANCES	CURRENT LIABILITIES	RATIO
2017-2018	2125.64	9543.90	0.220
2018-2019	944.26	82040.40	0.010
2019-2020	673.58	84224.73	0.008
2020-2021	625.68	97818.55	0.006
2021-2022	548.27	107385.14	0.005

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

From the above it may be seen that the cash Ratio of the Company is not satisfactory as the ratio is less than 1 of general norms. The Absolute Liquidity Ratio only tests short-term liquidity in terms of cash and marketable securities/ current investments. (2017-2018 to 2020-2022) 0.02, 0.01, 0.008, 0.0064, 0.0051. The ratios are declining from 2018 to 2022 which can be seen in in the chart 4.1.3

Chart 4.1.3 Cash ratio



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.4 GROSS PROFIT RATIO

$$\text{GROSS PROFIT RATIO} = \text{G.P/Net Sale} \times 100$$

Table 4.1.4

(Rs lakhs)

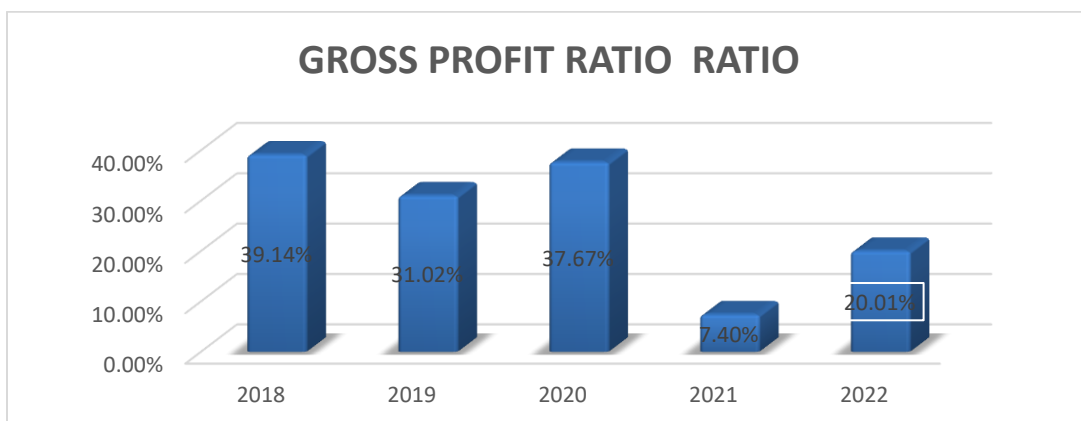
YEAR	Gross profit	Net sales	RATIO
2017-2018	24072.36	61504.33	39.14%
2018-2019	22979.12	74065.70	31.02%
2019-2020	25661.46	68105.20	37.67%
2020-2021	3937.24	53193.33	7.40%
2021-2022	6059.35	30278.64	20.01%

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

Gross profit margin depends on the relationship between sales price, volume, and costs. A high Gross Profit Margin is a favorable sign of good management. The ideal ratio is 8% to 15% in India. The GP ratio up to 2019-2020 was good but during 2020-2021 was not good, maybe due to the covid period. The ratio is fluctuating for construction industries (2017-18 to 2021-2022)

Chart 4.1.4 GROSS PROFIT RATIO



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.5: INVENTORY TURNOVER RATIO

INVENTORY TURNOVER RATIO=COST OF GOODS SOLD/AVERAGE INVENTORY

Table 4.1.5

(Rs lakhs)

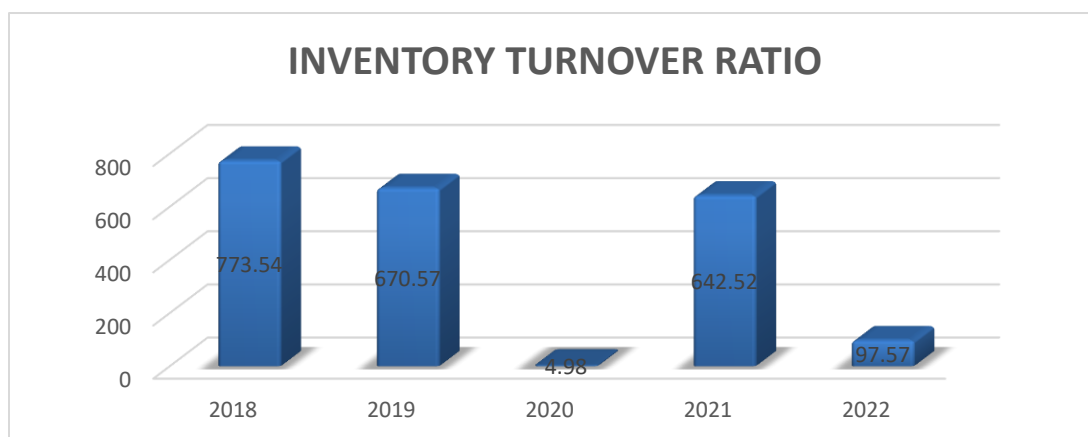
YEAR	CO.OF. GOODS SOLD	CHANGES IN INVENTORY	RATIO
2017-2018	37431.97	48.39	773.54
2018-2019	51086.58	83.67	670.57
2019-2020	17556.26	3524.37	4.98
2020-2021	49256.09	76.66	642.52
2021-2022	24219.29	248.20	97.57

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

Details of inventory were not available and changes in inventory considered for calculation. Ratio indicates how fast inventory is used or sold. A high ratio is good from the viewpoint of liquidity and vice versa. A low ratio would indicate that inventory is not used/ sold/ lost and stays on a shelf or in the warehouse for a long time. (2017-2018 to 2020-2022) 773.54, 670.57, 4.98, 642.52, 97.57. the ratio was less in 2019-2020 & 2021-2022 the due to impact of covid lockdown.

Chart 4.1.5 INVENTORY TURNOVER RATIO



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.6 CASH TURNOVER RATIO

Cash Turnover Ratio = Revenue / cash and cash equivalents

Table:4.1.6

(Rs Lakhs)

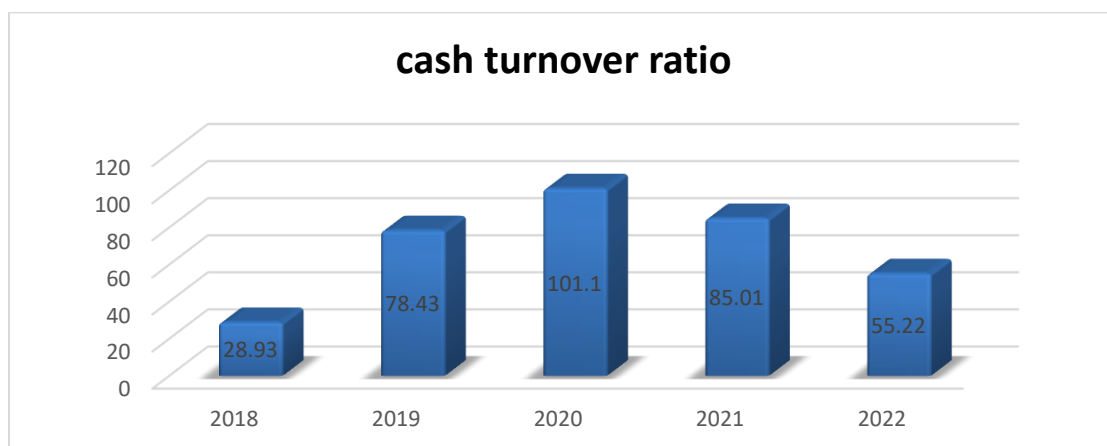
YEAR	Revenue	Cash and cash equivalents	RATIO
2017-2018	61504.33	2125.64	28.93
2018-2019	74065.70	944.26	78.43
2019-2020	68105.20	673.58	101.10
2020-2021	53193.33	625.68	85.01
2021-2022	30278.64	548.27	55.22

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

The cash turnover ratio indicates how many times a company went through its cash balance over an accounting period and the efficiency of a company's cash in the generation of revenue. A higher cash turnover ratio is desirable, as it indicates a greater frequency of cash replenishment through revenue. However, it is important to note that there is no one ideal cash turnover ratio number. (2017-2018 to 2020 – 2022) 28.93, 78.43, 101.10, 85.01, 55.22. The ratio up to 2020 is increasing & after 2022 is decreasing.

Chart 4.1.6 Cash turnover ratio



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.7: FIXED ASSET TURNOVER RATIO

$$\text{FIXED ASSET TURNOVER RATIO} = \text{NET SALES} / \text{AVERAGE FIXED ASSETS}$$

Table 4.1.7

(Rs lakhs)

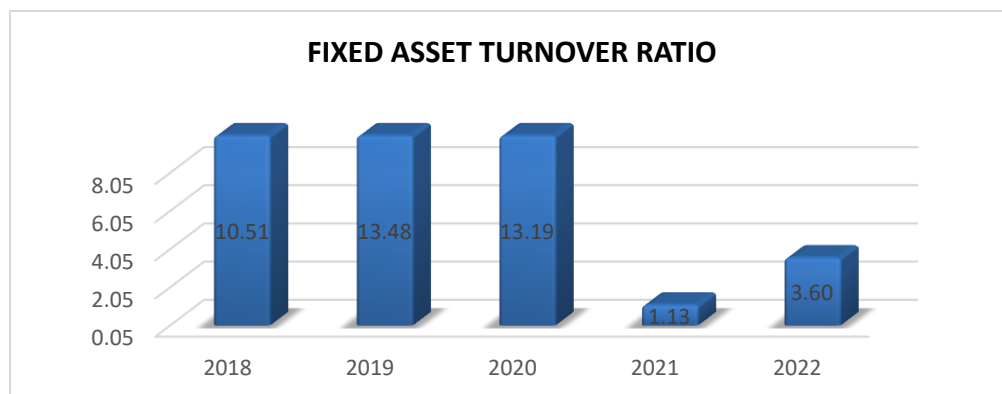
YEAR	NET SALES	AVG.FIXED ASSETS	TOTAL RATIO
2017-2018	61504.33	5848.09	10.51
2018-2019	74065.70	5493.62	13.48
2019-2020	68105.20	5160.82	13.19
2020-2021	5319.33	4666.23	1.13
2021-2022	30278.64	8409.09	3.60

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

A high fixed assets turnover ratio indicates efficient utilization of fixed assets in generating sales. A firm whose plant and machinery are old may show a higher fixed assets turnover ratio than the firm which has purchased them recently. The ratio value of (2017-2018 to 2021-2022) **10.51, 13.48, 13.19, 1.13, 3.60**. the ratio is decreasing during the period of 2021-2022

Chart 4.1.7 FIXED ASSET TURNOVER RATIO



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.8: WORKING CAPITAL TURNOVER RATIO

Working capital Turnover ratio = Net Sales / Working Capital

Table 4.1.8

(RS lakhs)

YEAR	NET SALES	WORKING CAPITAL	RATIO
2017-2018	61504.33	41741.15	1.47
2018-2019	74065.70	67552.16	1.09
2019-2020	68105.20	63835.67	1.06
2020-2021	53193.33	36811.70	1.44
2021-2022	30278.64	16500.27	1.83

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

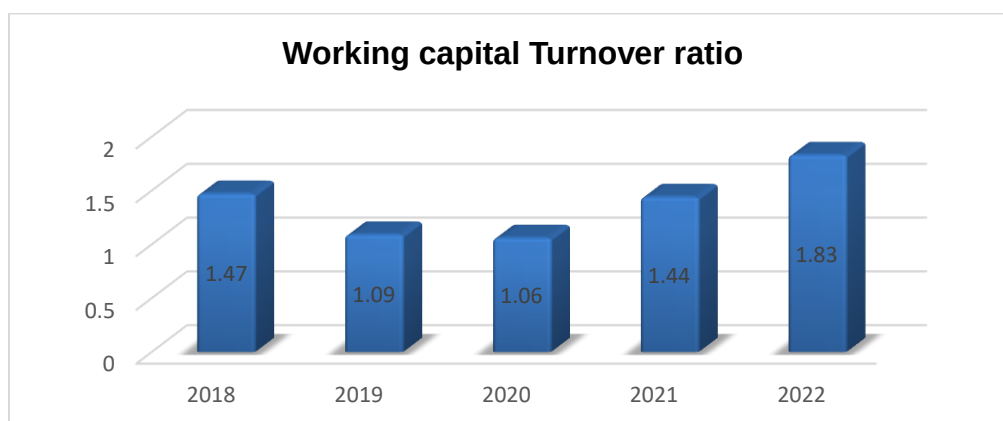
INTERPRETATION:

The higher the ratio, the more efficient is the utilization of working capital in generating sales. However, a very high working capital turnover ratio indicates that the company needs to raise additional working capital for future needs. Working Capital Turnover is further segregated into Inventory Turnover, Debtors Turnover, and Creditors Turnover.

Note: Average of Total Assets/ Fixed Assets/ Current Assets/ Net Assets/ Working Capital also can be taken in the denominator for the above ratios.

The ratio is fluctuating during the five years which can be seen in the chart 4.1.8

Chart 4.1.8 Working capital Turnover ratio



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.9: CASH TO CURRENT ASSET RATIO

$$\text{CASH TO CURRENT ASSET RATIO} = \text{CASH} / \text{CURRENT ASSET}$$

Table 4.1.9

(Rs lakhs)

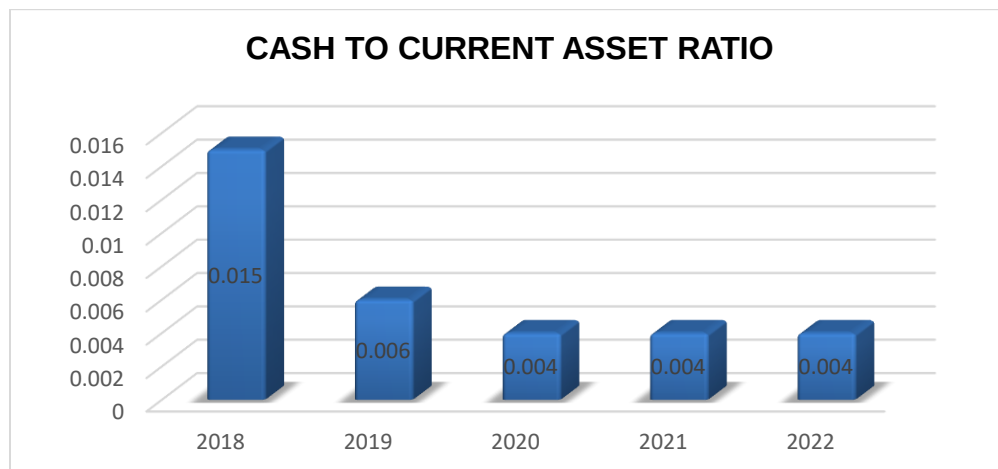
YEAR	CASH	CURRENT ASSET	RATIO
2017-2018	2125.64	137245.05	0.015
2018-2019	944.26	149592.56	0.006
2019-2020	673.58	148060.40	0.004
2020-2021	625.68	134630.25	0.004
2021-2022	548.27	123885.41	0.004

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

The ideal value of this ratio would depend on the industry in which the firm is operating. In all practical cases, this value will be less than 1. In extreme scenarios, it can be equal to 1 when a company only has cash and short-term highly liquid investments as current assets (that would mean no inventory and receivables, which is very unusual for a smooth functioning of any firm). The ratio values are 0.015, 0.006, 0.004, 0.004, 0.004 for the periods 2017-2018, 2018-2019, 2019-2020, 2020-2021, and 2021-2022 respectively. The ratio is decreasing from 2018-2022 as shown in the chart 4.1.9.

Chart 4.1.9 CASH TO CURRENT ASSET RATIO



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.10: RETURN ON ASSETS

RETURN ON ASSETS (RONA) =BEFORE TAX/AVG.TOTAL ASSETS

Table 4.1.10

(Rs lakhs)

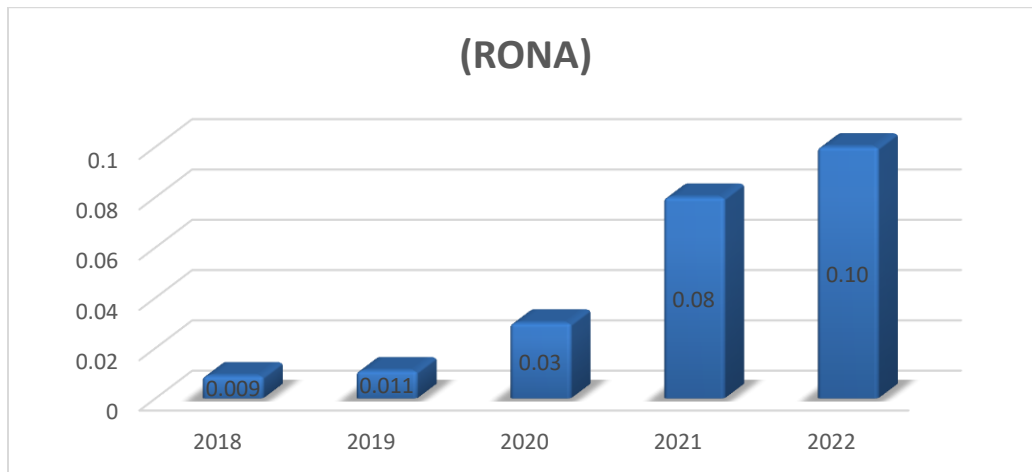
YEAR	INCOME	TOTAL ASSET	RATIO
2017-2018	2426.00	266176.53	0.01
2018-2019	2862.00	253734.29	0.01
2019-2020	(8099.00)	241358.38	0.03
2020-2021	18289	227147.27	0.08
2021-2022	20623	204764.94	0.10

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

The above table and diagram show the relationship between net profit and total assets in percentage. As total assets were only increasing in 2020-2022. (2018-2019 to 2021-2022)
0.009, 0.011, 0.03, 0.08,0.10

Chart 4.1.10 RETURN ON ASSETS



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.11: RETURN ON EQUITY

$$\text{RETURN ON EQUITY} = \text{AFTER TAX} / \text{SHARE HOLDERS}$$

Table 4.1.11

(RS lakhs)

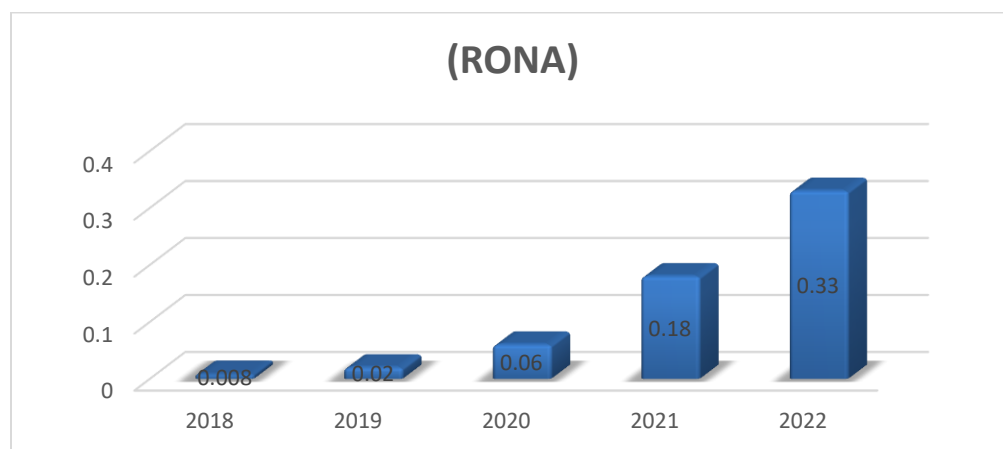
YEAR	NET INCOME	TOTAL EQUITY	RATIO
2017-2018	1076	122932.13	0.08
2018-2019	2862	125808.05	0.02
2019-2020	(8099)	117719.90	0.06
2020-2021	18289	99451.02	0.18
2021-2022	24901	74607.62	0.33

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

Return on equity is one of the most important indicators of a firm's profitability and potential growth. Companies that boast a high return on equity with little or no debt can grow without large capital expenditures, allowing the owners of the business to withdraw cash and reinvest it elsewhere. Many investors fail to realize, however, that two companies can have the same return on equity, yet one can be a much better business. (2017-2018 to 2021-2022) 0.008, 0.02, 0.05, 0.18, 0.33

Chart 4.1.11 RETURN ON EQUITY



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.12: RETURN ON INVESTMENT

$$\text{ROI} = \text{NPAT} / \text{cap. Employed} * 100$$

Cap.employed=Total Assets – Current Liabilities

Table 4.1.12

(Rs lakhs)

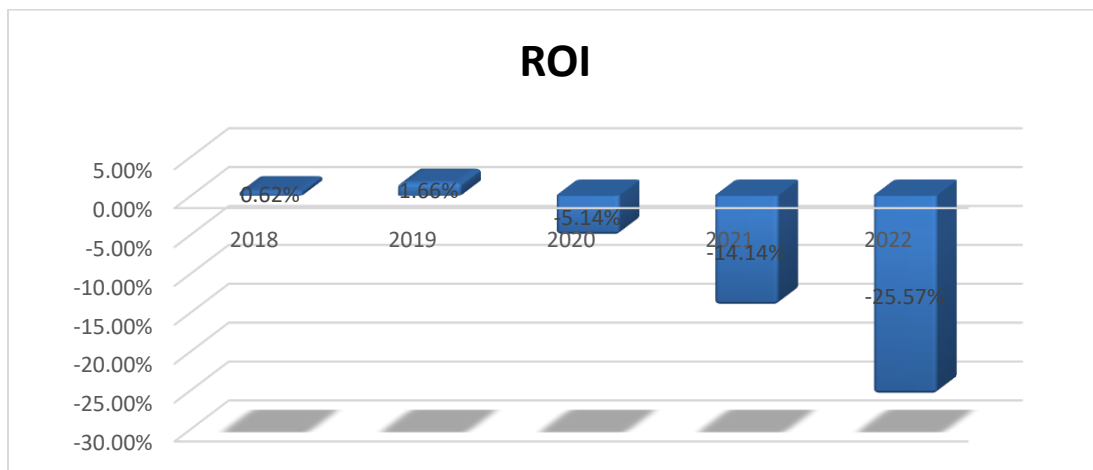
YEAR	NPAT	Cap. employed	TOTAL RATIO
2017-2018	1076	172702.63	0.62%
2018-2019	2862	171693.87	1.66%
2019-2020	(8089)	157133.65	(5.14%)
2020-2021	(18289)	129328.91	(14.14%)
2021-2022	(24901)	97379.81	(25.57%)

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

From the above table it may be seen that the return-on-investment ratio is negative from 2019-20 to 2021-2022. It measures the overall return of the business on investment/equity funds/capital employed/ assets. The ratio value is not good for that company, but the values are declining year by year in the year 2018-2022 ratio values are 0.62%, 1.66%, (5.14%), (14.14%), (25.57%)

Chart 4.1.12 RETURN ON INVESTMENT



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.13: Net profit Ratio

$$\text{NPAT Ratio} = \text{NPAT/sales} \times 100$$

Table 4.1.13

(Rs lakhs)

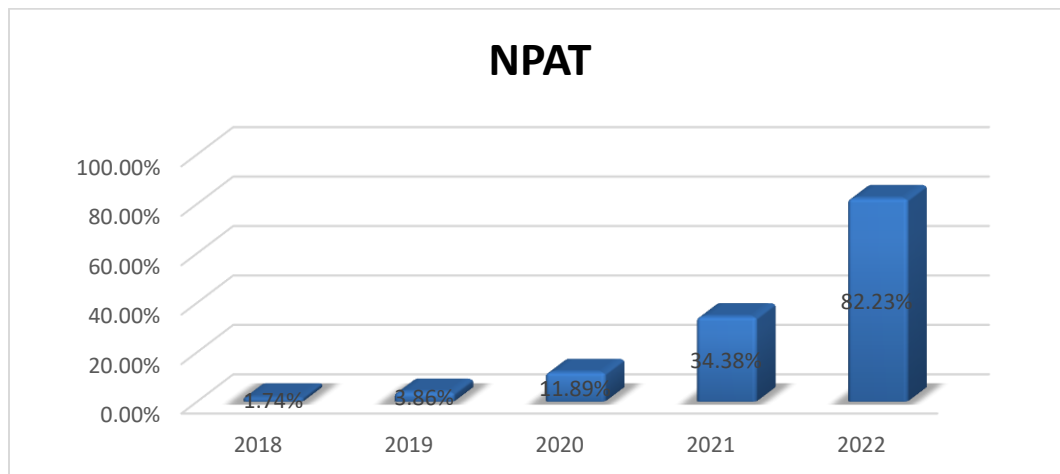
YEAR	NPAT	Sales	RATIO
2017-2018	1076	61504.3	1.74%
2018-2019	2862	74065.70	3.86%
2019-2020	(8099)	68105.20	11.89%
2020-2021	18289	53193.33	34.38%
2021-2022	24901	30278.64	82.23%

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

From the above table it is inferred that the Net Profit after tax ratio is increased in the year from 2021-2022 with 82.23 whereas, low in the year 2017-2018 with 1.74 it is noticed that year after year the Net Profit before tax ratio is increasing.

Chart 4.1.13 Net profit After Tax



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.14: Operating profit ratio

$$\text{Operating profit ratio} = \frac{\text{op. profit}}{\text{net sale}} \times 100$$

Table 4.1.14

(Rs crore)

YEAR	Operating profit	Net. Sales	RATIO
2017-2018	24428.46	61504.33	39.71%
2018-2019	36178.03	74065.70	48.84%
2019-2020	25680.17	68105.20	37.70%
2020-2021	48071.06	53193.33	90.37%
2021-2022	19382.00	30278.64	64.01%

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

From the above table it is inferred that the Operating Profit Ratio increased in the year 2020-2021 with 90.37 whereas, exceptionally low in the year 2019-2020 with 37.70. It has been noticed that year after year the Operating Profit ratio fluctuates.

Chart 4.1.14 Operating profit ratio



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.15: INVENTORY HOLDING PERIOD

INVENTORY HOLDING PERIOD = DAYS IN A YEAR / INVENTORY TURNOVER RATIO

Table 4.1.15

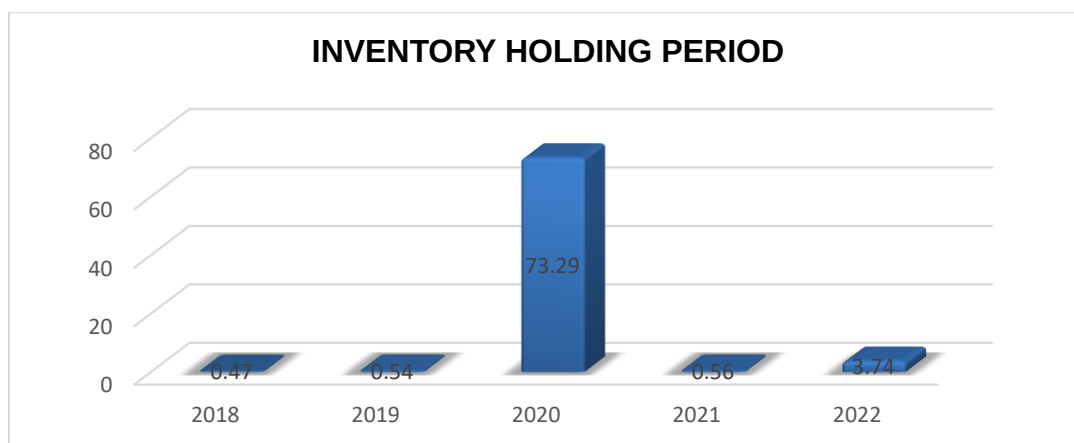
YEAR	DAYS IN A YEAR	INVENTORYTURNOVER RATIO	TOTAL RATIO
2017-2018	365	773.54	0.47
2018-2019	365	670.57	0.54
2019-2020	365	4.98	73.29
2020-2021	365	642.52	0.56
2021-2022	365	97.57	3.74

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

From the above table it is inferred that, the Net Profit before tax ratio is increased in the year from 2019-2020 with 73.29 whereas, low in the year 2017-2018 with 0.47.it is noticed that year after year the inventory holding period ratio is decreasing.

Chart 4.1.16 INVENTORY HOLDING PERIOD



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.16: Earing Per Share

$$\text{EPS} = \text{AFTER TAX} / \text{SHARES OUTSTANDING}$$

Table 4.1.16

(Rs crores)

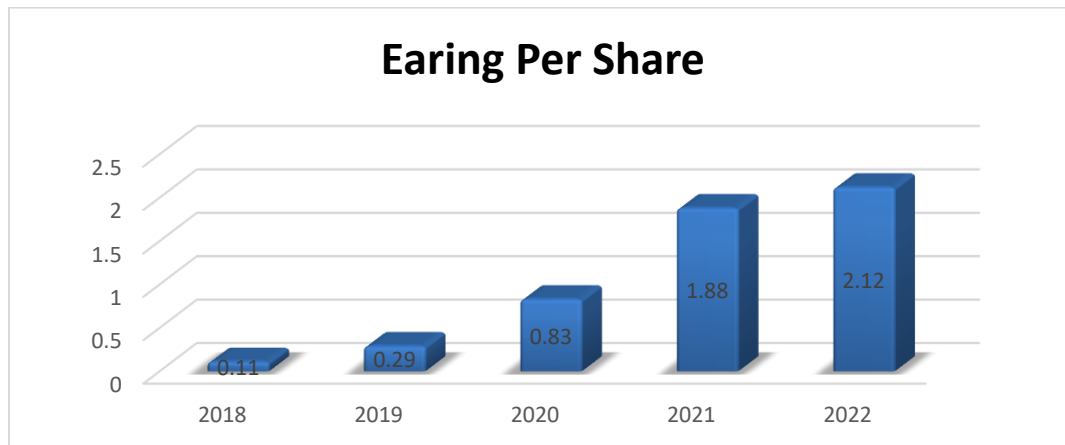
YEAR	AFTER TAX	NUMBER OF EQUITY SHARES	TOTAL RATIO
2017-2018	107600000	9715922018	0.11
2018-2019	286200000	971592018	0.29
2019-2020	(809900000)	971592018	0.83
2020-2021	1828900000	971592018	1.88
2021-2022	2490100000	971592018	2.56

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

From the above table it is observed that during the year 2018, the earnings per share decrease and later it starts increasing. In other words, the EPS has increased over the years. It shows that the firm's profitability has improved.

Chart 4.1.16: Earing Per Share



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.17: BOOK VALUE PER SHARE:

BVPS = TOTAL EQUITY – PREFERRED EQUITY / TOTAL NUMBERS. OF. SHARES OUTSTANDING

Table 4.1.17

(RS)

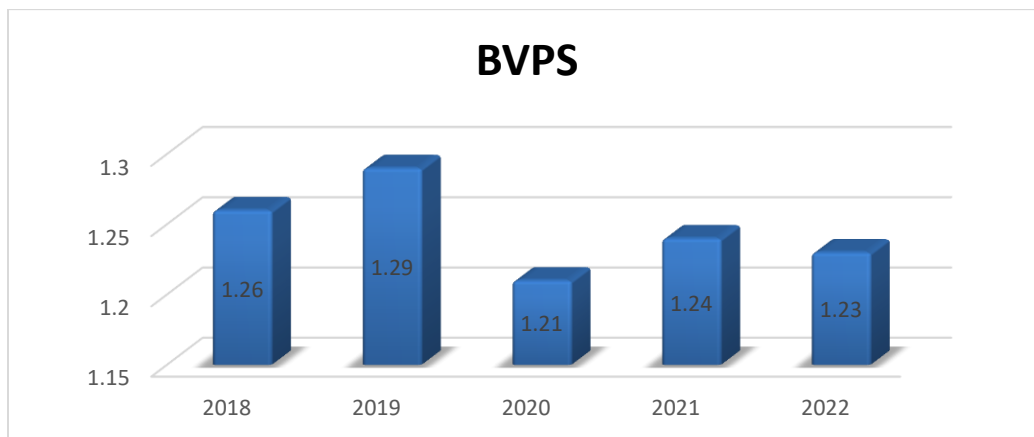
YEAR	TOTAL EQUITY-PREFERRED EQUITY(RS)	TOTAL NO.OF. SHARES OUTSTANDING	RATIO
2017-2018	1229319018	971529018	1.26
2018-2019	1258079018	971529018	1.29
2019-2020	1177199018	971529018	1.21
2020-2021	1201329018	971529018	1.24
2021-2022	1197009018	971529018	1.23

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

From the above table it is inferred that the book value per share ratio increased in the year 2018-2019 with 1.29 whereas, marginally low in the year 2019-2020 with 1.21.it is noticed that year after year the book value per share ratio is fluctuating.

Chart 4.1.17 BOOK VALUE PER SHARE



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.18: DEBT – TO – EQUITY RATIO:

$$\text{DEBT/EQUITY} = \text{TOTAL LIABILITIES} / \text{TOTAL SHAREHOLDERS' EQUITY}$$

Table 4.1.18

(Rs lakhs)

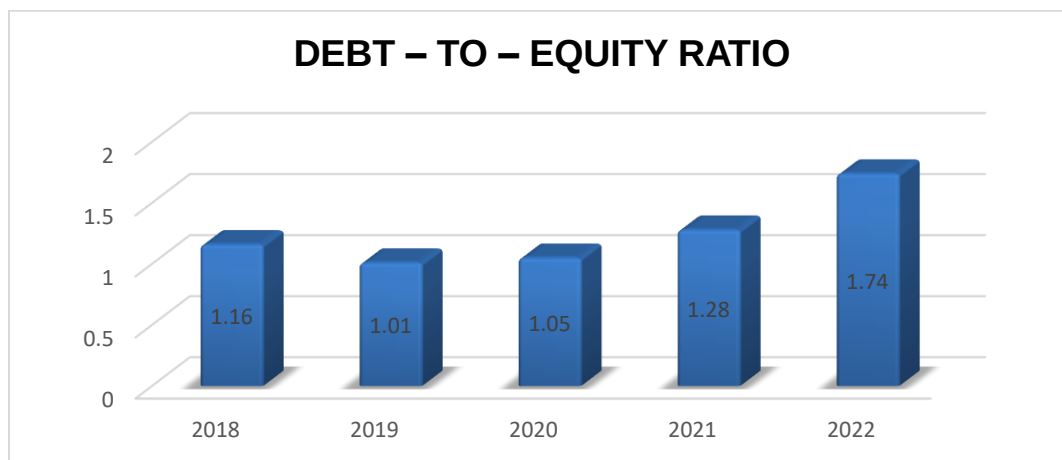
YEAR	TOTAL LIABILITIES	TOTAL SHAREHOLDERS' EQUITY	RATIO
2017-2018	143244.90	122931.63	1.16
2018-2019	127926.24	125808.05	1.01
2019-2020	123638.47	117719.91	1.05
2020-2021	127696.44	99451.02	1.28
2021-2022	130160.33	74694.62	1.74

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

From the above table it is inferred that the Debt/equity ratio is increased in the year from 2021-2022 with 1.74 whereas, low in the year 2018-2019 with 1.01. it is noticed that year after year the debt to equity is fluctuating.

Chart 4.1.18 Debt to equity ratio



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.19: DEBT TO ASSETS RATIO

$$\text{DEBT TO ASSET RATIO} = \text{TOTAL DEBTS} / \text{TOTAL ASSETS}$$

Table 4.1.19

(RS lakhs)

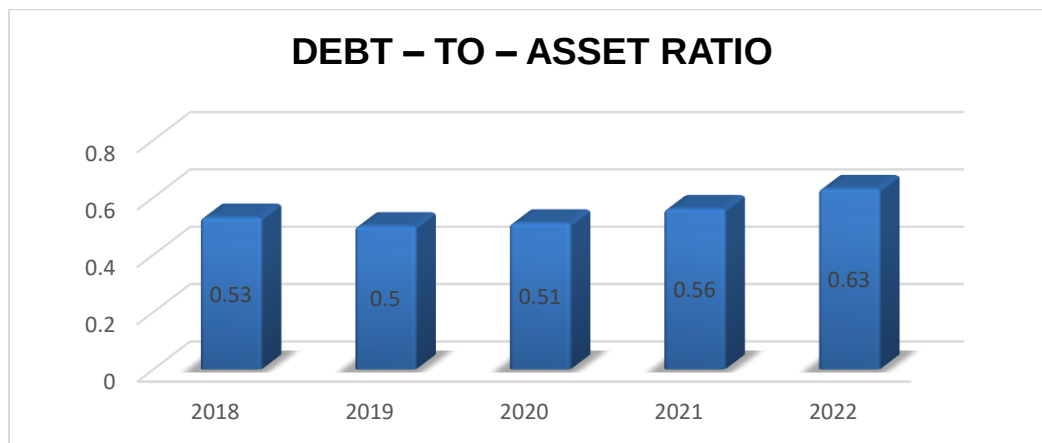
YEAR	TOTAL DEBTS	TOTAL ASSETS	TOTAL RATIO
2017-2018	143244.40	266176.53	0.53
2018-2019	127926.24	253734.29	0.50
2019-2020	123638.47	241358.38	0.51
2020-2021	127696.44	227147.27	0.56
2021-2022	130160.33	204764.95	0.63

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

From the above table it is inferred that the Debt to Asset Ratio increased in the year from 2021-2022 with 0.63 whereas, exceptionally low in the year 2018-2019 with 0.50. It is noticed that year after year the Debt to Asset Ratio fluctuates.

Chart 4.1.19 Debt to asset ratio



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

4.1.20: RETURN ON EQUITY RATIO

$$\text{ROE} = \text{NET INCOME} / \text{SHAREHOLDER'S EQUITY}$$

Table 4.1.20

(Rs lakhs)

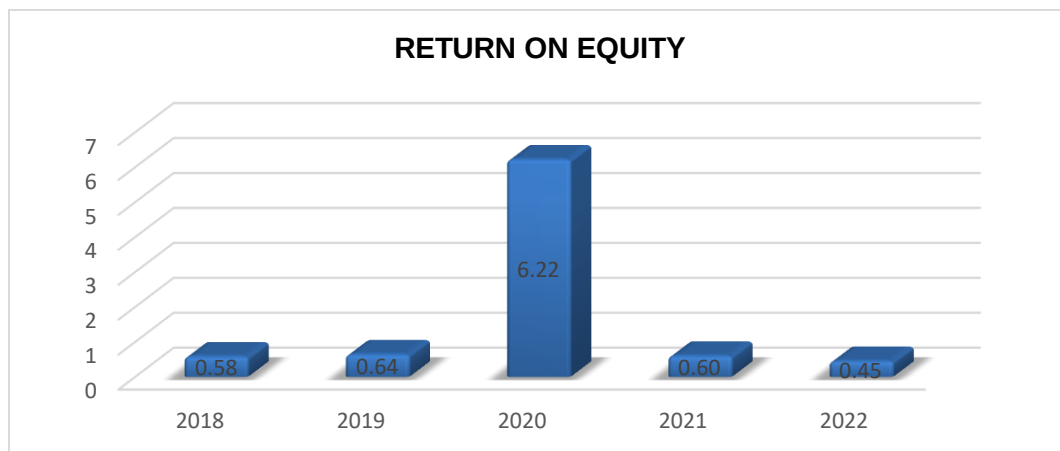
YEAR	NET INCOME	SHAREHOLDER'S EQUITY	TOTAL RATIO
2017-2018	72037.43	122931.63	0.58
2018-2019	81493.07	125808.05	0.64
2019-2020	72923.19	11719.91	6.22
2020-2021	60613.31	99451.02	0.60
2021-2022	34059.07	74694.62	0.45

(Source: Company Annual Reports from 2017-2018 to 2021-2022)

INTERPRETATION:

From the above table it is inferred that the return on equity increased in the year 2019-2020 with 6.22 whereas, exceptionally low in the year 2020-2022 with 0.45. It has been noticed that year after year the Debt to Asset Ratio is decreasing.

Chart 4.1.20 RETURN ON EQUITY RATIO



(Source: Company Annual Reports from 2017-2018 to 2021-2022)

CHAPTER – 5

5.1. FINDINGS OF THE STUDY

- The current ratio is fluctuating every year, that is 1.43, 1.82, 1.75, 1.37 and 1.15 during 2019 which indicates a continuous increase in both current assets and current liabilities.
- The quick ratio is also fluctuating throughout the period 2018 – 2022 resulting as 1.40, 1.77, 1.75, 1.37 and 1.15.
- The cash Ratio of SEPC Limited has undergone many fluctuations. It started with a very low ratio at first by 0.005 in the year 2022. it was increased to 0.02 In the year 2018 and again fallen to 0.011 in the year 2019.
- The gross profit ratio fluctuates every year. That is 39.14, 31.14, 37.67, 7.40 and 20.01.
- The inventory turnover ratio fluctuates every year. That is 773.54, 670.54, 4.98, 642.52, 97.57, during 2020 indicates low average inventory value during the period.
- The cash turnover ratio is decreasing in 2021 to 2022. The ratio of 2018-2022 is 28.935, 78.43, 101.10, 85.01, 55.22.
- Fixed asset turnover ratio is increasing 2018-2020 10.51, 13.48, 13.19, 1.13 and 3.60 during 2020-2021 indicates decreasing. A company has been efficient at generating revenue from such investment.
- The working capital turnover ratio is increasing in 2021-2022 the ratio of 2018-2022 is 1.47, 1.09, 1.06, 1.44, 1.83.
- Cash to current assets the same fluctuating between 2018-2019 and the value of 2020-2022 maintain the same level of ratio. Low cash to current assets ratio means that the company has a small amount highly liquid assets hence might depend on other forms of current assets like account receivable to pay off its debts.

- Return on assets show low value of ratio.as a result, companies with a low ROA tend to have more debt since they need to finance the cost of the assets.
- Return on equity ratio increased in the year 2020-2022 with 0.33 whereas, exceptionally low in the year 2017-2018 with 0.008. It has been noticed that year after year the return on equity ratio fluctuates.
- Return on investment ratio increased in the year 2021-2022 with 25.57 whereas, exceptionally low in the year 2017-2018 with 0.62. It is noticed that year after year the return-on-investment ratio increases.
- Net profit after tax ratio increased in the year 2021-2022 with 82.23 whereas, exceptionally low in the year 2017-2018 with 1.17. It is noticed that year after year the Net profit after tax ratio is increasing.
- The operating profit ratio increased in the year 2020-2021 with 90.37 whereas, exceptionally low in the year 2019-2020 with 37.70 It is noticed that year after year the Operating profit ratio is increasing.
- Inventory holding period increased in the year 2019-2020 with 73.29 whereas, exceptionally low in the year 2017-2018 with 0.47 It is noticed that year after year Inventory holding period ratio is fluctuating.
- Earnings per share ratio increased in the year 2021-2022 with 2.56 whereas, exceptionally low in the year 2017-2018 with 0.11 It is noticed that year after year the Earnings per share ratio is increasing.
- Book value per share ratio increased in the year 2019-2018 with 1.26 whereas, exceptionally low in the year 2020-2021 with 1.02 It is noticed that year after year the Book value per share ratio is fluctuating.
- The debt/equity ratio increased in the year 2021-2022 with 1.74 whereas, exceptionally low in the year 2018-2019 with 1.01 It is noticed that year after year the Debt/equity ratio is fluctuating.

- Debt to asset ratio increased in the year 2021-2022 with 0.63 whereas, exceptionally low in the year 2018-2019 with 0.50 It is noticed that year after year the Debt to asset ratio is increasing.
- Return on equity ratio increasedfluctuates018-2019 with 6.22 whereas, exceptionally low in the year 2021-2022 with 0.45 It is noticed that year after year the Return on equity ratio is fluctuating.

5.2 SUGGESTIONS

- The company can improve its liquidity position so that it can sustain in the future.
- The company may investigate maintaining the current assets and current liabilities. This might help the company maintain an optimum liquidity ratio.
- The company must closely monitor the proprietary ratio for the year 2020 and its following years.
- The company has increased its investment in Assets over the years. The company should make sure it does not invest too much in non-current assets and reduce its liquidity. This might cause an imbalance in the debt equity ratio of the company.

5.3 LIMITATIONS OF THE STUDY

- The Study is covered to the financial performance of SEPC t Ltd.
- The Period of the study is restricted to 5 years.
- The reliability and correctness of the study depends on the information provided in the annual reports of the company.

5.4 CONCLUSION

The project of Ratio analysis in the service industry is not merely a work of the project. But a brief knowledge and experience that how to analyze the financial performance of the firm. The study undertaken has brought into the light of the following conclusions. According to this project I came to know that from the analysis of financial statements spec Limited the company have been incurring profit during the period of study. So, the firm should focus on making huge profits in the coming year by taking care of internal as well as external factors. The gross profit and net profit of SEPC Limited have fluctuated over the past five years. On an average the SEPC Limited overall performance is quite satisfactory.

REFERENCES

- Fernando Munoz, Maria Vargas, Ruth Vicente (2021), "Style-changing behavior in the socially responsible mutual fund industry: consequences on financial and sustainable performance", *Sustainability Accounting, Management and Policy Journal*, From Volume: 1 Issue: 1, to Vol 12 Issue: 2
- Kofi MintahOware, T. Mallikarjunappa (2020), "Disability employment and financial performance: the effect of technological innovation of listed firms in India", *Social Responsibility Journal*, From Volume: 1 Issue: 1/2, to Vol17 Issue: 1
- Binod Guragai, Paul D. Hutchison (2020), "Financial performance following discontinued operations", *Review of Accounting and Finance*, Vol 19, Issue 4, pp. 429-447
- Carolina Herrera-Cano, Maria Alejandra Gonzalez-Perez (2019), "Representation of Women on Corporate Boards of Directors and Firm Financial Performance", *Diversity within Diversity Management*, Vol 22, pp. 37-60
- Deven Krishnan, Rafikul Islam, SuhaimiMhd. Sarif (2019), "A hierarchical model to enhance financial and strategic performance of an oil and gas company in Malaysia", *International Journal of Energy Sector Management*, Vol 14, Issue 2, pp. 482-503
- Avinandan Mukherjee, Rosita Nunez (2019), "Doing well by doing good: can voluntary CSR reporting enhance financial performance?" *Journal of Indian Business Research*, Vol 11, Issue 2, pp. 100-119
- Hapsoro, Dody and Husain, Zul Fahmi (2019), "Does Sustainability Report Moderate the Effect of Financial Performance on Investor Reaction? Evidence of Indonesian Listed Firms", *International Journal of Business*, Vol 24, Issue 3, pp. 308-328
- Henri Kriswanto (2019), "FINANCIAL PERFORMANCE AND MACRO ECONOMIC ENVIRONMENT AS PREDICTORS OF FINANCIAL DISTRESS NATIONAL PRIVATE BANKS IN INDONESIA", *International Journal of Economics, Business and Management Research*, Vol 3, Issue 10, pp 58-71

- Hiep Ngoc Luu, Loan Quynh Huong Vu, Le Quoc Tuan (2019), "Income diversification and financial performance of commercial banks in Vietnam: Do experience and ownership structure matter", *Review of Behavioral Finance*, Vol12, Issue 3, pp. 185-199
- Afshin Mehrpouya, Imran Chowdhury (2018), "Re-thinking the CSP–CFP Linkage: Analyzing the Mechanisms Involved in Translating Socially Responsible Behavior to Financial Performance", *Sustainability, Stakeholder Governance, and Corporate Social Responsibility*, Vol 38, pp. 227-25
- Fellipe Silva Martins, Wagner Cezar Lucato (2018), "Structural production factors' impact on the financial performance of agribusiness cooperatives in Brazil", *International Journal of Operations & Production Management*, Vol 38, Issue 3, pp. 606-635
- Agus Wahyudin, Badingatus Solikhan (2017), "Corporate governance implementation rating in Indonesia and its effects on financial performance", *Corporate Governance*, Vol 17, Issue 2, pp. 250-265 • Anandarao Suvvari, Raja Sethu Durai S., Phanindra Goyari (2019), "Financial performance assessment using Grey relational analysis (GRA): An application to life insurance companies in India", *Grey Systems: Theory and Application*, Vol 9, Issue 4, pp. 502-516
- Lee, Jin-Woo (2017), "Financial performance analysis based on efficiency evaluation of Regional Public Hospital", *Journal of the Korea Academia Industrial cooperation Society*, Vol18, Issue 4, Pages.614-623.
- Karen L. Xie, Kevin Kam Fung So, Wei Wang (2017), "Joint effects of management responses and online reviews on hotel financial performance: A data-analytics approach", *International Journal of Hospitality Management*, Volume 62, Pages 101-110
- Carmen-Pilar Martí-Ballester (2015), "Socially Responsible Investment: The Financial Performance of Spanish Equity Pension Plans", *The UN Global Compact: Fair Competition and Environmental and Labour Justice in International Markets*, Vol 16, pp. 103-121

Financial Performance - Standalone

₹ in Crores

					As per IND AS					
Statement of Profit and Loss	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	(15 months)	(9 months)								
Gross Sales	1,705.13	495.09	547.66	547.60	519.69	615.04	740.66	681.05	531.93	302.78
Other Income	60.35	26.78	11.03	113.03	87.83	105.33	74.27	48.18	21.31	8.95
Interest	410.94	190.75	190.87	271.73	297.59	103.51	95.45	98.80	106.56	115.68
Profit Before Taxation	(305.13)	(425.44)	(252.62)	(244.03)	(226.39)	24.26	28.62	(80.99)	(182.89)	(206.23)
Profit After Taxation	(262.86)	(439.37)	(252.85)	(244.03)	(150.92)	10.76	28.62	(80.99)	(182.89)	(249.01)

					As per IND AS					
Balance Sheet	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Fixed Assets (Net)	53.86	69.84	70.41	55.21	6,087.37	5,579.13	5,378.42	49.28	44.04	38.74
Investments (Current and Non current)	244.33	45.49	45.49	5.42	1.3345	1.31	1.12	1.02	1.04	0.77
Net Deferred Tax	13.93	-	-	414.26	489.74	476.24	476.24	476.24	476.24	433.45
Net Assets (Current and Non Current)	2,147.97	2,299.58	2,551.98	2128.43	1985.41	1793.44	2,006.19	1,236.38	994.51	746.05
Share Capital	44.36	344.36	386.36	330.63	936.97	971.53	971.53	971.53	971.53	971.53
Other Equity	200.30	(239.07)	(324.38)	(403.77)	191.67	257.79	286.55	205.67	22.98	(225.48)
Loan Funds	1,559.74	1,724.20	2,121.42	1,878.88	836.19	793.28	632.60	658.32	835.88	978.27

Standalone Balance Sheet as at March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

	Notes	As at 31-Mar-19	As at 31-Mar-18
ASSETS			
Non-current assets			
Property, plant and equipment	6	5,330.39	5,515.95
Capital work-in-progress		14.84	14.84
Intangible assets	7	48.03	63.18
Financial assets			
Investments	8	112.21	130.75
Loans	9	17,675.67	40,625.03
Trade Receivables	10	25,256.19	17,879.05
Other Financial Assets	10	1,729.92	4,740.27
Deferred Tax Assets (Net)	39	47,623.70	47,623.70
Income Tax Assets (Net)	12	2,394.76	3,018.29
Other Non-Current Assets	11	3,956.02	9,320.42
Total Non-Current Assets		104,141.73	128,931.48
Current assets			
Inventories	13	3,849.24	3,765.57
Financial assets			
Trade receivables	14	34,421.44	37,978.29
Cash and cash equivalents	15	944.26	2,125.64
Other bank balances	16	8,116.89	3,697.92
Other Financial Assets	17	4,285.20	8,024.93
Other Current assets	18	97,975.53	81,652.70
Total Current Assets		149,592.56	137,245.05
Total Assets		253,734.29	266,176.53
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	97,152.90	97,152.90
Other equity	20	28,655.15	25,779.23
Total Equity		125,808.05	122,932.13
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	21	20,645.33	28,164.58
Other financial liabilities	22	5,690.66	5,955.85
Provisions	23	660.69	532.27
Other non-current liabilities	24	18,889.16	13,117.80
Total Non-Current Liabilities		45,885.84	47,770.50
Current liabilities			
Financial liabilities			
Borrowings	25	42,614.61	51,163.89
Trade payables	26	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		31,707.96	31,462.42
Other financial liabilities	27	2,465.70	3,532.92
Other current liabilities	28	4,719.07	8,899.01
Provisions	29	533.06	415.66
Total Current Liabilities		82,040.40	95,473.90
Total Liabilities		127,926.24	143,244.40
Total Equity and Liabilities		253,734.29	266,176.53
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

Statement of Profit and Loss for the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

	Notes	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Income			
Revenue from operations	30	74,065.70	61,504.33
Other income	31	7,427.37	10,533.10
Total income		81,493.07	72,037.43
Expenses			
Erection, Construction & Operation Expenses	32	58,597.62	47,916.68
Changes in inventories of work-in-progress	33	(83.67)	48.39
Employee benefits expense	34	5,229.68	4,577.23
Finance costs	35	9,544.54	10,350.65
Depreciation and amortization expense	36	559.53	584.14
Other expenses	37	4,323.44	6,134.43
Total expenses		78,171.14	69,611.52
Profit before exceptional items and tax		3,321.93	2,425.91
Exceptional items	38	(459.97)	-
Profit before tax		2,861.96	2,425.91
Income tax expense	39		
Current tax		-	-
Deferred tax		-	1,349.81
Total income tax expense		-	1,349.81
Profit for the year		2,861.96	1,076.10
Other Comprehensive Income			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Re-measurement gains on defined benefit plans (Net of tax)		32.49	59.04
Fair Value of Equity Instruments through OCI (Net of tax)		(18.54)	(2.70)
		13.95	56.34
Other Comprehensive Income for the year		13.95	56.34
Total Comprehensive Income for the year		2,875.91	1,132.44
Earnings per share			
Basic earnings per share (₹)		0.30	0.12
Diluted earnings per share (₹)		0.30	0.12
Face value per equity share (₹)		10.00	10.00
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

Standalone Balance Sheet as at March 31, 2020

(Amount in ₹ lakhs, unless otherwise specified)

	Notes	As at 31-03-2020	As at 31-03-2019
ASSETS			
Non-current assets			
Property, plant and equipment	6	4,888.30	4,888.30
Capital work-in-progress		-	-
Intangible assets	7	40.08	40.08
Financial assets			
Investments	8	101.59	101.59
Loans	9	12,301.03	12,301.03
Trade Receivables	10	19,848.34	19,848.34
Other Financial Assets	10	1,621.73	1,621.73
Deferred Tax Assets (Net)	40	47,623.70	47,623.70
Income Tax Assets (Net)	12	2,917.19	2,917.19
Other Non-Current Assets	11	3,956.02	3,956.02
Total Non-Current Assets		93,297.98	93,297.98
Current assets			
Inventories	13	324.86	324.86
Financial assets			
Trade receivables	14	37,744.42	37,744.42
Cash and cash equivalents	15	673.58	673.58
Other bank balances	16	4,885.40	4,885.40
Other Financial Assets	17	8,639.66	8,639.66
Other Current assets	18	95,089.13	95,089.13
Assets classified as held for sale	19	703.35	703.35
Total Current Assets		148,060.40	148,060.40
Total Assets		241,358.38	241,358.38
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	97,152.90	97,152.90
Other equity	21	20,567.01	20,567.01
Total Equity		117,719.91	117,719.91
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	22	20,622.70	20,622.70
Other financial liabilities	23	5,642.52	5,642.52
Provisions	24	613.20	613.20
Other non-current liabilities	25	12,535.32	12,535.32
Total Non-Current Liabilities		39,413.74	39,413.74
Current liabilities			
Financial liabilities			
Borrowings	26	45,209.42	45,209.42
Trade payables			
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises	27	30,812.20	30,812.20
Other financial liabilities	28	2,579.27	2,579.27
Other current liabilities	29	5,065.32	5,065.32
Provisions	30	558.52	558.52
Total Current Liabilities		84,224.73	84,224.73
Total Liabilities		123,638.47	123,638.47
Total Equity and Liabilities		241,358.38	241,358.38
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

Statement of Profit and Loss for the year ended March 31, 2020

(Amount in ₹ lakhs, unless otherwise stated)

	Notes	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Income			
Revenue from operations	31	68,105.20	74,065.70
Other income	32	4,817.99	7,427.37
Total income		72,923.19	81,493.07
Expenses			
Erection, Construction & Operation Expenses	33	50,786.10	58,597.62
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	3,524.37	(83.67)
Employee benefits expense	35	5,004.17	5,229.68
Finance costs	36	9,879.96	9,544.54
Depreciation and amortization expense	37	555.53	559.53
Other expenses	38	4,664.91	4,323.44
Total expenses		74,415.04	78,171.14
Profit/(Loss) before exceptional items and tax		(1,491.85)	3,321.93
Exceptional items	39	(6,606.98)	(459.97)
Profit/(Loss) before tax		(8,098.83)	2,861.96
Income tax expense	40		
Current tax		-	-
Deferred tax		-	-
Total income tax expense		-	-
Profit/(Loss) for the year		(8,098.83)	2,861.96
Other Comprehensive Income			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Re-measurement gains on defined benefit plans (Net of Taxes)		21.31	32.49
Fair Value of Equity Instruments through OCI (Net of Taxes)		(10.62)	(18.54)
Other Comprehensive Income for the year		10.69	13.95
Total Comprehensive Income/(Loss) for the year		(8,088.14)	2,875.91
Earnings / (Loss) per share			
Basic earnings /(loss) per share (₹)		(0.83)	0.30
Diluted earnings /(loss) per share (₹)		(0.83)	0.30
Face value per equity share (₹)		10.00	10.00
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

Standalone Balance Sheet as at March 31, 2022

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	6A	3,841.93	4,368.08
Right of Use Assets	6B	233.09	-
Intangible assets	7	32.00	36.04
Contract assets	8	3,956.02	3,956.02
Financial assets			
Investments	9	76.98	104.10
Loans	10	8,131.35	10,913.30
Trade Receivables	11	18,768.50	21,015.14
Other Financial Assets	12	1,081.79	1,173.27
Deferred tax asset (net)	13	43,345.50	47,623.70
Income tax assets (net)	14	1,412.38	3,327.56
Total Non-Current Assets		80,879.54	92,517.21
Current assets			
Inventories	15	-	248.20
Contract Assets	16	79,708.74	82,683.42
Financial assets			
Trade receivables	17	28,057.27	32,820.14
Cash and cash equivalents	18	548.27	625.68
Other bank balances	19	2,387.49	2,866.88
Other Financial Assets	20	889.02	844.27
Other Current assets	21	11,698.56	13,945.41
Assets classified as held for sale	22	596.06	596.06
Total Current Assets		1,23,885.41	1,34,630.06
Total Assets		2,04,764.95	2,27,147.27
EQUITY AND LIABILITIES			
Equity			
Equity share capital	23	97,152.90	97,152.90
Other equity	24	(22,548.28)	2,298.12
Total Equity		74,604.62	99,451.02

Standalone Balance Sheet as at March 31, 2022

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Lease Liabilities	6B	201.93	-
Borrowings	25	15,364.47	20,072.84
Other financial liabilities	26	4,465.38	4,363.37
Provisions	27	540.50	559.51
Contract Liabilities	28	2,202.91	4,882.17
Total Non-Current Liabilities		22,775.19	29,877.89
Current liabilities			
Financial liabilities			
Lease Liabilities	6B	36.60	-
Borrowings	29	82,462.97	63,515.80
Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	30	15,873.15	22,611.54
Other financial liabilities	31	1,885.00	1,663.07
Other current liabilities	32	688.87	1,541.65
Contract Liabilities	33	5,934.02	8,076.27
Provisions	34	504.53	410.03
Total Current Liabilities		1,07,385.14	97,818.36
Total Liabilities		1,30,160.33	1,27,696.25
Total Equity and Liabilities		2,04,764.95	2,27,147.27
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

Audited Statement of Profit and Loss for the year ended March 31, 2022

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	35	30,278.64	53,193.33
Other income	36	895.41	2,130.69
Total income		31,174.05	55,324.02
Expenses			
Erection, Construction & Operation Expenses	37	24,866.50	51,463.44
Changes in inventories of finished goods, stock-in-trade and work-in-progress	38	248.20	76.66
Employee benefits expense	39	3,682.27	3,576.44
Finance costs	40	11,568.38	10,655.75
Depreciation and amortization expense	41	574.85	544.86
Other expenses	42	4,495.61	6,146.30
Total expenses		45,435.81	72,463.45
Loss before exceptional items and tax		(14,261.76)	(17,139.43)
Exceptional items	43	(6,361.26)	(1,149.11)
(Loss) before tax		(20,623.02)	(18,288.54)
Income tax expense	44		
Current tax		-	-
Deferred tax		4,278.00	-
Total income tax expense		4,278.00	-
(Loss) for the year		(24,901.02)	(18,288.54)

Audited Statement of Profit and Loss for the year ended March 31, 2022

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains on defined benefit plans (Net of Taxes)		15.61	17.10
Fair Value of Equity Instruments through OCI (Net of Taxes)		39.01	2.51
Other Comprehensive Income for the year		54.62	19.61
Total Comprehensive Loss for the year		(24,846.39)	(18,268.93)
Earnings / (Loss) per share	45		
Basic earnings /(loss) per share (₹)		(2.56)	(1.88)
Diluted earnings /(loss) per share (₹)		(2.56)	(1.88)
Face value per equity share (₹)		10.00	10.00
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			