

A STUDY ON FINANCIAL STABILITY OF CORI ENGINEERS PVT LTD CHENNAI

Submitted in partial fulfillment of the requirements for the award of

MASTER OF BUSINESS ADMINISTRATION

by

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Register No.41410291



**DEPARTMENT OF BUSINESS ADMINISTRATION
SCHOOL OF MANAGEMENT STUDIES**

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

**Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by AICTE
JEPPIAAR NAGAR, RAJIV GANDHI SALAI, CHENNAI - 600 119**

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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **SHIPHRAH.R**
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DECLARATION

I **SHIPHRAH R (40410291)** hereby declare that the Project Report entitled “**A STUDY ON FINANCIAL STABILITY OF CORI ENGINEERS PVT LTD, CHENNAI**” done by me under the guidance of **DR. DHIVYA SATHISH, MBA., M.Phil., Ph.D.**, at **CORI ENGINEERS (IGP GROUP)**, NO.2, Type II, Dr. VSI Estate, off state highway 49A, Phase 1, OMR, Thiruvanmiyur, Chennai-600041 is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

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ABSTRACT

This project deals with the study on Financial Stability of Cori Engineers Pvt Ltd. The main ideal of this design is to dissect the Financial Stability of the company and the liquidity position of the company for each time. Secondary objects are to find out the effectiveness of the company using fiscal rates like profitability rates, development rate & solvency rate of the company and to apply the affiliated rates in order to dissect the Financial Stability of the company and to suggest suitable suggestions.

This design is about the Financial Stability of the Cori Engineers Pvt Ltd. By calculating the important crucial rates of the company with the help of the fiscal statement for the 5 times, experimenter dissect where the company is standing in the request in order to prognosticate the future, the design deals with the challengers in the request. And what will be the openings and the trouble for the company in the request. The experimenter not only considered the crucial rates and also the current trend in the request to prognosticate the future.

For assaying the Financial Stability of the Cori Engineers Pvt Ltd, secondary data similar as balance distance, the fiscal statements of the company are collected and the tools have also been applied. Eventually, from the analysis and interpretation of the study, it has been concluded about the company performance as it's perfecting by adding its capital. rates are dynamic for every time. The study suggests that the company needs to ameliorate its capital position opinions to maximize its earnings for the forth coming times.

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CHAPTER I

INTRODUCTION

1.1 INTRODUCTION

FINANCIAL STATEMENT ANALYSIS

Every business concern wants to be aware of the numerous financial factors in order to make wise decisions. A financial statement's primary goal is to help the company reach its goals. An organized set of facts based on accounting principles and standards used to disclose financial information is referred to as a financial statement.

DEFINITION

According to John N. Myer (1985), "the financial statements provide a summary of the accounts of a business enterprise, the balance sheet reflecting the assets, liabilities and capital as on a certain date and the income statement showing the results of operations during a certain period".

According to Anthony (1976), "financial statements, essentially, are interim reports, presented annually and reflect a division of the life of an enterprise into more or less arbitrary Accounting period more frequently in a year".

Financial statements are broadly grouped into two groups.

1. Income Statements (Trading, Profit, and loss Account)
2. Balance Sheets

1.2 NATURE OF FINANCIAL STATEMENTS

Financial statements are prepared based on business transactions recorded in the books of **Original Entry or Subsidiary books, Ledger, and Trial balance**. Recording the transactions in the books of primary entry is supported by document proofs such as vouchers, invoice notes etc.

According to the American institute of certified Public Accountants, "Financial statement reflects a combination of recorded facts, accounting conventions and personal

judgments; and conventions applied affect them materially.” It is, therefore concluded that the nature and accuracy of the data included in the financial statements are in the financial statements are influenced by the following factors:

1. Recorded facts concerning the business transactions.
2. Generally accepted accounting principles.
3. Personal judgments.
4. Accounting conventions adopted to facilitate the accounting technique.

1.3 CONCEPT OF FINACIAL STATEMENT

Financial statements, usually referred to as financial reports, are those that include the company's financial data. They serve as an all-purpose entity statement, reporting the financial standing and operational performance of an enterprise business at the conclusion of the accounting period. In actuality, these statements represent the entirety of the summary of the books of accounts.

FINANCIAL STABILITY ANALYSIS

By correctly establishing the relationship between the items on the balance sheet and profit and loss account, financial stability analysis is the process of determining the firm's financial strengths and weaknesses. Financial Stability analysis is useful for both short- and long-term forecasting, and it can be used to identify growth.

The definition of "analysis" in the dictionary is to resolve or divide something into its constituent pieces in order to trace their connections to the object as a whole and to other things. In order to better comprehend the status and performance of the company, the analysis of financial statements involves assessing the link between the statement's component sections. The firm's management can conduct this analysis.

MEANING OF FINANCIAL STATEMENT

A financial statement is a compilation of information arranged in accordance with consistent and logical accounting principles. Its goal is to impart a grasp of certain of a business firm's financial elements. In the case of a balance sheet, it may reveal a position at a certain point in time. In the case of an income statement, it may reveal a series of actions over a specific time period.

The balance sheet and profit and loss account are the two financial statements that reveal the status of investments, respectively. As a result, the phrase "financial statement" is frequently used to refer to two documents created by accountants at the conclusion of a given time period. They are: (i) profit and loss account or income statement; and (ii) Balance sheet or statement of financial position.

The primary sources of financial information for an organisation are financial statements, which are produced as a byproduct of financial accounting. Financial reports and financial statements are synonyms.

The financial statements are created using information that have been documented. The facts that were recorded are those that have a monetary value. The statements are created for a specific time frame, usually one year.

1.4 TYPES OF FINANCIAL STATEMENTS

Financial statements include

- A Balance Sheet
- An Income Statement
- A Statement of changes
- A Statement of changes in Financial Position: It is fund flow and cash flow statement.
- The financial statements are prepared with a view to depict financial position of the concern. A proper analysis and interpretation of these statements enables a person to judge the profitability and financial strength of the business.

1.5 IMPORTANCE OF FINANCIAL STATEMENTS

For management: Financial statements were thought to be only for the company's owners and to fulfil legal requirements until recently. Financial statements are now understood to be of the uttermost assistance to business management. Only when management has accurate and trustworthy information at its disposal will it be able to make decisions that are effective. Management cannot plan or carry out the duties of operation and control if information is not available.

For the Financiers: Financial statements are just as important to bankers and lenders as managements are. Lenders require details on a client's financial situation, solvency, credit history, profitability, etc. Financial statements assist business owners and lenders in determining whether to offer loans to clients.

For the Creditors: Another sort of creditors who value financial statements is a trade creditor. Extending trade credit is allowing for the deferral of payment for purchases made on credit by the seller and the customer. Financial statements with the aid of solvency ratios, cash and fund flow analyses, etc., expose all these facts.

(d) For Investors: In order to evaluate management effectiveness, development potential, and profit potential, both current and potential investors are interested in reviewing financial statements. Shareholders and debenture holders can easily obtain this information from financial accounts.

1.6 LIMITATIONS OF FINANCIAL STATEMENTS

- Conventions, past practices, and accounting principles are typically used to create financial statements. As a result, they do not provide the users of the statements with much information regarding the profitability, solvency, stability, liquidity, etc. of the undertakings.
- The focus of financial statements is on disclosing only monetary data, or quantitative information, while ignoring qualitative information.
- Financial statements only provide historical data. It does not take into account variations in the worth of money, the level of prices, etc. As a result, accurate future predicting is not possible.
- The influence of subjective judgements creates potential for fraud while creating financial statements.
- Accounting ideas and conventions are the foundation for the information disclosed by financial statements. Due to the different terms and conditions and shifting economic conditions, it is unrealistic.

1.7 INDUSTRY PROFILE

Although the Indian rubber industry has numerous strengths, policymakers must provide more assistance to the sector to help it overcome obstacles including free imports of rubber products, high financing rates that make it difficult to switch to high-tech equipment, a low rate of value addition, etc.

With a massive base of 720 million consumers spread throughout 627,000 communities, India is a thriving market. India is the world's fourth-largest market for tyres. India's passenger automobile market has the fastest growth rate, at 7.64%.

Till 2020, India's GDP is expected to expand by 8–9%, according to several organisations. The expansion of the industrial sector will be the primary driver of GDP growth. Indians would consume five times as many cars and three times as much crude oil thanks to a per capita GDP that will have quadrupled by 2020.

The primary factors driving the growth of the Indian automobile industry are the country's planned economic growth, expansion of the road network, rising per capita income, competitive pricing, new model introductions, low car penetration in India, etc. However, a number of obstacles, including high inflation, rising loan rates, rising gasoline prices, a lack of parking spaces, a lack of suitable roads, etc., are impeding the industry's expansion.

Impressive turnover:

In the fiscal year 2015–16, the Indian rubber industry reported a yearly revenue of \$12,700 million, of which the tyre, non–tyre, and export sectors each contributed \$7,600 million.

In India, there are currently 6,711 manufacturing facilities producing items other than tyres, such as footwear, Moulded goods, tread rubber products, foam products, tyre

tubes and flaps, auto and bicycle parts, adhesives, dipped goods, gloves, extruded rubber goods, beltings, and hoses.

India has a distinct edge over other countries in the rubber sector since it is the second largest producer of reclaimed rubber, the second largest consumer of natural rubber, the fourth largest producer of all rubber, and the sixth largest producer of natural rubber overall.

Concerningly, India's consumption of natural rubber (NR) and all types of rubber (NR and SR) decreased in 2015–16 (Table 3). India's NR consumption decreased from 1,020,910 tonnes in 2014-15 to 994,425 tonnes in 2015-16.

In comparison to 2014–15, total rubber consumption (NR and SR) registered a negative growth of –0.6% (1,547,785 tonnes), down from a rise of –5.9% (1,557,040 tonnes). India continues to have the lowest per capita use of rubber among the major consumers, at 1.2 kg compared to the global average of 3.12 kg.

In India, auto tyres and tubes account for 61% of all rubber use, with cycle tyres and tubes coming in at 10%, dipped goods at 8%, tyre retreading material at 6%, belts and hoses at 6%, latex foam at 3%, footwear at 2% and others at 6%.

Positive strengths:

The Indian rubber sector has various advantages. The Indian rubber industry benefits from a vast plantation sector with the highest yield and locally available basic raw materials like natural rubber, synthetic rubber, reclaim rubber, carbon black, rubber chemicals, fatty acids, rayon, nylon yarn, steel cord, bead wire, rubber machinery and testing equipment.

Since exports have been increasing at a rate of more than 20% YOY over the past more than ten years, the quality of Indian rubber products has been recognized on a global scale.

Other advantageous factors include the availability of qualified technologists from more than 40 institutes specializing in rubber technology, the experience of entrepreneurs in manufacturing rubber products for a sizable domestic market, and the low cost of experienced labor (which is currently changing quickly).

Challenges ahead:

The rubber sector does, however, face numerous difficulties. The industry is being harmed by increased imports brought on by the inverted duty structure, which has to be remedied. Policymakers must pay more attention if they are to assist the sector in overcoming the problem brought on by the unfettered import of rubber goods. High loan rates are causing a slowdown in the adoption of high-tech machinery.

Concentrating on the expanding domestic market may result in missed opportunities in the global rubber trade. If India wants to remain competitive in the global market, it must increase its rate of value addition at the same rate as the majority of rubber-consuming countries.

1.8 COMPANY PROFILE

Cori Engineers Pvt. Ltd is an associate company of IGP Engineers Pvt. Ltd.

CORI Engineers Pvt. Ltd. with over 70,000 sq feet of manufacturing facilities in rubber components is well known as market leaders for Rubber Expansion joints / Bellows in India. A preferred supplier of anti-vibration mounts to the genset Industry. The other product lines of CORI include Built-up hoses, Rubber Moulded Components and Rubber Lining service for anti-corrosive and abrasion resistance applications.

CORI is ISO 9001:2015 accredited by DNV GL. We have many quality awards to our credit and we export our products worldwide and well known as a quality supplier” for the year 2017 from Kirloskar Oil Engines Ltd.

The products of CORI are marketed in the brand name **CORIRUBBER**®

QUALITY:

We follow relevant National & International standards for testing vulcanized rubber physical properties like tensile, elongation, polymer identification, Ozone resistance test, blow lamp test, hardness etc either in-house or in accredited laboratories.

Rubber:

We have supplied rubber components out of various polymers viz.

Polymers handled

- Natural rubber
- Neoprene *(chloroprene)
- Nitrile
- HBNR
- EPDM
- Chlorobutyl
- Hypalon * (CSM)
- Silicon
- Viton *(fluoroelastomer)

Approvals:

Our products / services are approved by leading consultants, Inspection agencies such as

- UHDE India Limited,
- Tata Consulting Engineers Limited,
- Engineers India Limited,
- Project and Development India Limited,
- M.N. Dastur & Company,
- Humphreys & Glasgow Limited,
- Development Consultants Limited,
- Metallurgical & Engineering Consultants (India) Limited,
- Baxcounsel Inspection Bureau Private Limited,
- Lloyds etc.

Our products and services are:-

- Rubber Expansion Joints / bellows
- Anti Vibration Mounts /pads
- Built-up Rubber Hoses & Cuffs
- Vestibule for Railways
- Rubber sheets
- Rubber lining of tanks, vessels, pipes, and fittings etc.
- Rubber lagging
- Rubber screens
- Marine spares
- Rubber gaskets
- Bridge bearing
- Rubber Moulded Components, extrusions

1.9 OBJECTIVES OF THE STUDY

The main aim of the study is to ascertain Financial Stability of Cori Engineers Pvt Ltd for the past five years.

- To analyze the company's financial standing during the past five years.
- To determine the company's efficiency utilizing financial ratios such as profitability ratios, turnover ratios, and solvency ratios.
- To find out the company's liquidity position.
- To investigate a company's performance via comparative analysis.
- To suggest options for improving the company's financial stability.

1.10 NEED FOR STUDY

Since money is thought of as the lifeblood of businesses, it is crucial to examine the capital structure of the organization. The study is required for a more thorough investigation of the company's financial stability. The management may also require the use of the relevant ratios to more thoroughly assess its liquidity and profitability.

The management can learn about their existing situation, costs incurred on sales or expenses, and variables influencing the company's growth with the aid of financial stability. Additionally, it illustrates the connection between return on investment and return on assets.

Applying different ratios to analyze costs and corporate profitability can also be beneficial for management. This study is crucial for the business when it comes to making a decision with financial ramifications. In order to determine the ideal Return on Asset and the relationship between Return on Investment and Return on Asset, this study is required.

1.11 SCOPE & SIGNIFICANCE OF THE STUDY

The initiative is related to data that has been available for the company for the last five years. The investigation using ratios, comparison, and common size study led to the conclusions. The analysis clarifies the company's financial situation throughout the previous five years. It aids the business in differentiating itself from rival businesses.

The study's analysis reveals the benefits and drawbacks of the business's financial situation. Through simple interpretation and conclusions for research, it helps the reader comprehend the numerous financial facets of a corporation.

1.12 PROBLEM STATEMENT

The corporate companies are not able to sustain due to the poor management of capital resources and human resources. Thus, the study of financial statement required to understand the deployment of capital in a right way and the statement of analysis help them understand the present financial position of the company. This helps them increase the financial ratio to improve the performance of the company.

CHAPTER II

REVIEW OF LITERATURE

- **Rao (1993)** discussed in his research about 'Financial appraisal of Indian Automotive Tyre Industry'. Main objective of study was intended to probe into the financial condition-financial strength and weakness-of the Indian tyre industry. He has been measured and evaluates the financial performance through inter-company and inter-sector analysis for the period of 1981-1988. He has found that the fixed assets utilization in many of the tyre undertakings was not as productive as expected and inventory was managed fairly well.

- **Pai, Vadivel & Kamala (1995)** have studied about the diversified companies and financial performance. Main purpose of research was found out the relationship between diversified firms and their financial performance. For the purpose of research, they have selected seven large firms and analyzed those firm which having different products-both related and otherwise-in their portfolio and operating in diverse industries. In this study, a set of performance measures / ratios was employed to determine the level of financial performance and variation in performance from one firm to another has been observed and statistically established.

- **Vijayakumar A. (1996)** has studied about 'Assessment of Corporate Liquidity - a discriminate analysis approach' in this research he has revealed that the growth rate of sales, leverage, current ratio, operating expenses to sales and vertical integration was the important variables which determine the profitability of companies in the sugar industry. Also he has studied the short-term liquidity position in twenty-eight selected sugar factories in co-operative and private sectors. In research a discriminate analysis has been used by the researcher, to undertaken

to distinguish the good risk companies from poor risk companies based on current and liquidity ratios.

- **Loundes (1998)** studied on his research paper regarding “performance of Australian Government Trading Enterprises: An overview”. He has provided 31 an overview of GTE performance over the 5 years to 1996 using the IBIS Enterprise Database, following the method of analyzing firm performance as outlined by the steering committee (1998). He has made comparative analysis and its results indicate that there are large differences in performance across firms, and more particularly, across the industries.
- **Dhankar (1998)** has studied about the criteria of performance measurement for business enterprises in India study of public sector undertakings. The author gives a new model for measuring the performance of a business enterprise in India, wherein, the basis is to compare its actual rate of return with its expected risk adjusted rate of return.
- **Sengupta (1998)** studied concerning the performance of the fertilizers industry in India. By Analysing of cost functions and cobb-douglas production function have been made to check the performance of the industry. Analysis of shifting cost functions further highlight that the firms belonging to this industry expand capacities, even before fully exploiting the existing capacity conforming to the oligopolistic behavioural tendency of the firms belonging to the fertilizers industry. The results showed that the industry was subject to the law of increasing costs.
- **D’Souza & Megginson (1999)** have studied concerning the financial and operating performance of privatized firms during the 1990s. They made comparison about the pre and post privatization financial and operating performance of 85 companies

from 28 industrialized countries that were 32 privatized through public share offerings for the period from 1990 to 1996.

- **Raghunathan & Das (1999)** have discussed in their paper regarding corporate performance of post-Liberalization. They analyzed the performance of Indian Manufacturing sector in the last 8 years since liberalization on the parameters of profitability, liquidity, leverage and solvency. They also observed that the solvency and profitability ratios were encouraging till 1996 they have been gradually diminishing after that and this problem gets more pronounced when the EVA was calculated which showed that the Indian Manufacturing sector has destroyed wealth, while the MNCs have generated wealth for their shareholders
- **Nitsure & Joseph (1999)** have studied about, “Liberalization and the Behavior of Indian Industry (A Corporate - Sector Analysis based on Capacity Utilization), and examined the impact of economic reform on productive capacity creation and utilization across various industries in the nineties. They analyzed the determinants of capacity use such as credit flows, import liberalization, fiscal consolidation and demand conditions, using panel 35 data for 802 firms for the period 1993-98 to suggest an optimum combination of policies that is critical for realizing the unused capacity.
- **Rajeswari (2000)** studied about the Liquidity Management of Tamil Nadu Cement Corporation Ltd. Alangulam-A Case Study. She concluded from the analysis; the liquidity position of TANCEM was not stable. After the comparative analysis regarding liquidity ratios, she has found there was too much of liquidity in the first two years of the study period and also a very high degree of liquidity was also bad as idle assets earn nothing and affects profitability.
- **Aggarwal & Singla (2001)** have studied about developed a single index of financial performance through the technique of Multiple Discriminate Analysis (MDA), by

selecting 11 ratios and selected ratios used as inputs. For the purpose of analysis, they selected only those ratios, which was relevant in distinguish between profit making units and loss-making units in Indian paper industry. They concluded that, the model has correctly classified 82.14 percent of units selected as profit making and loss marking.

- **Sur (2001)** studied in his paper about the Liquidity Management: An overview of four companies in Indian Power Sector using the data for the period of 1987-1988 to 1996-1997. He had applied accounting techniques of comparative analysis regarding the liquidity management in electricity generation and distribution industry. He revealed that the overall liquidity should be managed in such a way that not only it should not hamper profitability but also its contribution towards increase in profitability should be positive.

- **Sur, Biswas & Ganguly (2001)** have studied about the Liquidity Management in Indian Private Sector Enterprises - A case study of Indian Primary Aluminium industry. From the analysis, they had summarized that the overall performance regarding liquidity management at INDAL was better in terms of efficient utilization of short- term funds, whereas HINDALCO was unable to do.

- **Loundes (2001)** analyzed 'The Financial performance of Australian Government Trading Enterprises Pre & Post-Reform' revealed that during the 1990's. Main objectives of the study was to discover whether there had been any change in the financial performance of government trading enterprises operating in electricity, gas, water, railways and ports industries as a result of these changes. He had concluded that that it did not appear to have been a noticeable enhancement in the financial performance of most of this business, although railways have improved slightly, from a low base.

- **Rogers (2001)** studied in his research about the effect of diversification on firm performance analyses the association between diversification and firm performance by using a sample of up to 1449 large Australian firms for the period of 1994 to 1997. He has analyzed the firm performance by measuring profitability and, for quoted firms, market value. From the comparative analysis of selected sample, the results showed that all the selected firms have more focused to maintain higher profitability and also controls for firm specific effects and other determinants of profitability.

- **Bosworth & Loundes (2002)** have studied about the Dynamic performance of Australian Enterprises investigate the interaction of discretionary investments, innovation, productivity and profitability within a dynamic framework of firm performance. They have set up a dynamic and closed model for firm performance and the result empirical model was tested as a series of recursive equations by using a four-year balanced panel data set of Australian firms drawn from the Business Longitudinal Survey.

- **Mulla (2002)** discussed in his paper about the 'Use of 'Z' score analysis for evaluation of financial health of textile mills - A case study' has been made an insight into the financial health of ShriVenkatesh Co-operative Textile Mills Ltd., Arunageri of Dharwad District. For the purpose of analysis, the 'Z' score analysis has been applied to evaluate the general trend in financial health of a firm over a period by using many of the accounting ratios.

- **Wolfgang Aussenegg & Jelic (2002)** examined about operating performance of 154 Polish, Hungarian and Czech companies that were fully or partially privatized between January 1990 and December 1998. They have revealed that privatized firms in the sample did not manage to increase profitability, and 36 considerably reduced efficiency and output in the post privatization period. They concluded that

the enterprises privatized through mass privatization programs (Czech SOEs) achieved lower profitability in the post-privatization period compared to their counterparts privatized through case-by-case method.

- **Kakani, Saha & Reddy (2003)** have studied about an empirical validation of the widely held existing theories on the determinants of firm performance in the Indian context. In their study they have used financial statements and capital market data of 566 large Indian firms over a time frame of eight years divided into two sub-periods (1992-96 and 1996-2000) and to analyse Indian firm's financial performance across various dimensions viz., shareholder value, accounting profitability and its components, growth and risk of the sample firms.
- **Petia (2004)** discussed in his study about performance of India's non-financial corporate sector since 1989, by using firm level data and evaluated its financial vulnerabilities. He has found that promising trends in liquidity, profitability and leverage of the sector emerged in the early 1990s; he has experienced a reversal after 1996. Nevertheless, most indicators were still at comfortable levels, and there was evidence of improvement in 2002. The study also revealed that a number of firms still face problems servicing their debt obligations, posing a risk to lenders.
- **Weill (2004)** discussed in his paper about comparison of leverage and corporate performance-a frontier efficiency analysis provides new empirical evidence on a major corporate governance issue and also the relationship between leverage and corporate performance. To analyse the leverage and corporate performance, he has applied frontier efficiency techniques to obtain performance measures for companies from several countries (France, Germany and Italy).
- **Patra (2005)** has studied about the impact of liquidity on profitability by using current ratio, acid test ratio. Current assets to total assets ratio, inventory turnover ratio, working capital ratio, receivable turnover ratio, cash turnover ratio of selected two company's viz., Tata Iron & Steel Company Limited for the period 1999 to 2005. Using mean, standard deviation, co-efficient variation, correlation and co-efficient

of relation. He has concluded that out of seven liquidity ratios selected for this study, four ratios namely current ratio, acid test ratio, current assets to total assets ratio and inventory turnover ratio showed negative correlation with profitability ratio. Whereas The remaining three ratios namely working capital turnover ratio, receivable turnover ratio and cash turnover ratio have shown positive association with the profitability ratio, all of which are statistically significant at 5% level of significance.

- **RBI Bulletin (2005)** Finance of Foreign Direct Investment companies has made studied on financial performance analysis using profit margin ratio, return on net worth ratio of selected 490 non-governments non-financial foreign direct investment (FDI) companies for the period 2000 -2003 based on their audited annual accounts.
- **Reddy & Padma (2005)** have been made discussed about the impact of mergers on corporate performance. They have compared the pre and postmerger operating performance of the corporations involved in merger to identify their financial characteristics. They explained their views on based of empirical research on share price performance and suggested that acquiring firm generally earns positive returns previous to declaration, but less than the market portfolio.
- **Singh (2006)** has studied about the performance of sugar mills in Uttar Pradesh by ownership, size and location. He has mentioned that in his paper performance assessment of the sugar industry and setting targets for the relatively inefficient mill to improve their efficiency and productivity is crucial, as the interests of various stakeholders are largely dependent on its performance.
- **Sur & Chakraborty (2006)** have discussed about financial performance of Indian Pharmaceutical industry. They have been made the comparative analysis the financial performance of Indian Pharmaceutical industry for the period 1993 to 2002 by selecting six notable companies of the industry. They explained that the Indian Pharmaceutical industry has been playing a very significant role in increasing the life expectancy and in decreasing the mortality rate and it is the 5th largest in terms of volume and the 14th largest in value terms in the world.

- **Choudhary (2007)** has studied in relation to performance of the common stocks under alternative investment strategies by examining the relationship between investment performance of equity securities and alternative investment strategies based on their market capitalization, P/E ratio and earnings per share for the period January 1997 to December 2005. He has concluded the analysis, the low market capitalization, P/E ratio, and earnings per share portfolios on average earned higher absolute rate of return than the high market capitalization, P/V ratio, and earnings per share portfolios respectively.

- **Gaabalwe (2007)** has done descriptive studies on “financial performance measurement of South Africa’s top companies: an exploratory investigation” he has made study on the base of empirical, he applied accounting tools like ratio and applied statistical tools like mean, standard deviation, and z test. For the purpose of analysis, he has facilitated the analysis and interpretation; the Z Scores of the sampled companies were expediently used to classify the companies into three categories like high, medium and low.

- **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 analysed 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.

- **Ramudu & Rao (2007)** discussed about the Receivables management in the commercial vehicles industry in India. Main purpose of study was to examine the efficiency of receivables management of the Indian commercial vehicles industry. In this study, they have revealed that the industry as a whole had managed receivables efficiently, whereas a few individual companies had for less satisfactory scores in this respect. They concluded that the level of investment in receivables as a percentage of sales across the industry was reasonable less.

- **Samuel & Vanniarajan (2007)** discussed about financial performance of bank by applying Du-Pont analysis. They concluded that the liberalization of the finance sector in India has divulged Indian banks to a new economic environment that is considered by increased competition and new regulatory requirements. They also revealed that Indian and foreign banks need to explore development opportunities in India by initiating new products for different customer segment, and many of which were not conservatively viewed as customer for the banking industry.
- **Singhania (2007)** has analysed the study concerning the Dividend policy of India companies. From the analysis he has revealed that the percentage of companies declaring dividend declined over the years, the average dividend per share increased by nearly eight times. He has found that if companies imply to declare dividend, increasingly per higher dividends over the years. He considered that the average dividend pay-out ratio ranged between 25% and 68% during 1992-2004.
- **Srivastava (2007)** has studied on “Role of Organizational management and managerial Effectiveness in promoting performance and production”. He has included in his study, Management is a universal Phenomenon and it is practically required in all walks of life presently. He has identified some problem like Lack of proper management in variable results in chaos, wastage 43 of time, money and effort.
- **Toby (2007)** did research on “Financial management modelling of the performance of Nigerian Quoted Small and medium-sized Enterprises. He has concluded that the sustained growth, adequate liquidity and requisite profitability in the Small and Medium sized Enterprise sector is significantly related to their investment and financing decisions. The experiential results showed that there was not significant different between current ratio and the gross profit margin ratio and found the working capital gap constant.
- **Rapheal Nisha (2013)** The author tries to evaluate the financial performance of Indian tyre industry. The study was conducted for period 2003-04 to 2011-12 to analyze the performance with financial indicators, sales trend, export trend,

production trend etc. The result suggests the key to success in industry is to improve labour productivity and flexibility and capital efficiency.

- **Hotwani Rakhi (2013)** The author examines the profitability position and growth of company in light of sales and profitability of Tata Motors for past ten years. Data is analyzed through ratios, standard deviations and coefficient of variance. The study reveals that there not exists a strong relationship between sales & profitability of company
- **Idhayajothi, R et al (2014)** The main idea behind this study is to analyze the financial performance of Ashoka Leyland Ltd. at Chennai. The result shows that financial performance is sound and also suggested to improve financial performance by reducing the various expenses.
- **Agarwal, Nidhi (2015)** The study focus on the comparative financial performance of Maruti Suzuki and Tata motors Ltd. The financial data and information required for the study are drawn from the various annual reports of companies. The liquidity and leverage analysis of both the firms are done. To analyze the leverage position four ratios are considered namely, capital gearing, debt-equity, total debt and proprietary ratio. The result shows that Tata motors Ltd has to increase the portion of proprietor's fund in business to improve long term solvency position.
- **Jothi, K. & Geethalakshmi, A. (2016)** This study tries to evaluate the profitability & financial position of selected companies of Indian automobile industry using statistical tools like, ratio analysis, mean, standard deviation, correlation.
- **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.

CHAPTER III

RESEARCH METHODOLOGY

3.1 METHODOLOGY:

The research challenge can be approached methodically using research methodology. You may think of it as a branch of science that studies how scientific research is conducted. The many approaches used by the researcher in investigating his research problem are discussed in this paper, along with the reasoning behind them.

3.2 RESEARCH DESIGN:

The suggested research has a descriptive focus. The requirement for research design stems from the fact that it helps the numerous research operations run smoothly and efficiently. The following criteria are typically taken into account while designing a research study for a specific issue.

3.3 SOURCE OF INFORMATION:

There are essentially two sources of information. For his investigation, the researcher has gathered secondary data.

PRIMARY DATA

Information was collected through this source comprises of discussions with the personnel of Cori Engineers Pvt Ltd.

SECONDARY DATA

The data was collected from sources like magazine, journals, company reports and industrial magazines (annual reports).

3.4 RESEARCH TYPE

Research type is the basic frame work which provides guidelines for the research process. The research design chosen for the study by the researcher was **Analytical in nature**. The researcher has to use facts of information already available. The researcher has to analyze facts to make critical evaluation of the material.

The choice of the research type depends on the depth and extent of data recording, the cost and benefits of research, the urgency of work, the time availability of competing its research and the blue print of the research project

3.5 TOOLS FOR ANALYSIS:

The following are major tools used in analysis and interpretation.

- ✓ Ratio analysis
- ✓ Common size balance sheet statement.
- ✓ Comparative balance sheet statement.
- ✓ Trend percentage analysis.

RATIO ANALYSIS

A ratio is a mathematical relationship between two items expressed in a quantitative form. Ratio can be defined as “Relationship expressed in quantitative terms between figures which have cause and effect relationship which are connected with each other in some manner or the other. Ratio analysis involves the process of computing determining and presenting the relationship of items or groups of items of financial statements.

CURRENT RATIO

The ratio of current assets to current liabilities is called current ratio. In order to measure the short-term liquidity or solvency of a concern, comparison of current assets and current liabilities is inevitable. Current ratio indicates the ability of a concern to meet its current obligations as and when they are due for payment.

Current ratio = Current assets / Current liabilities

LIQUID RATIO

A measure of company's liquidity and ability to meet its obligations. Quick ratio, often referred to as acid-test ratio, is obtained by subtracting inventories from current assets and then dividing by current liabilities.

Liquid ratio = Liquid assets / current liabilities

WORKING CAPITAL TURNOVER RATIO

A measure comparing the depletion of working capital to the generation of sales over a given period. This provides some useful information as to how effectively a company is using its working capital to generate sales.

Working capital turnover ratio = Net sales / Working Capital

PROFITABILITY RATIO

Profit making is the main objective of business. Aim of every business concern is to earn maximum profits in absolute term and also in relative terms i.e. profit is to be maximum in term of risk undertaken.

Profitability Ratio = Profit after tax / Sales

CASH POSITION RATIO

This ratio also known as absolute liquidity ratio or super quick ratio. It's calculated when liquidity is highly restricted in terms of cash and cash equivalents.

Cash position ratio = cash and company balances + marketable securities / current liabilities.

OPERATING RATIO

Operating ratio represent the different between the cost of goods sold and sales. Operating ratio measures the amount of expenditure incurred in production, sales and distribution of output. It indicates operational efficiency of the concern.

Operating Ratio = cost of goods sold + operating expenses / net sales *100

DEBTORS TURNOVER RATIO

It represents how quickly the debtors are converted into cash. This ratio is used to measure the firm's liquidity position. This ratio establishes the relationship between receivables and credit sales.

Debtors' turnover ratio = Net sales / Average debtors.

PROPRIETARY RATIO

This ratio is also termed as capital ratio or net worth to total asset ratio. This is one of the variants of debt equity ratio. This shows the relationship between shareholders' funds and total assets

Proprietary ratio = Net worth / Total Assets

GROSS PROFIT RATIO

Gross profit ratio establishes the relationship between gross profit and net sales. It also reveals the amount of gross profit for each rupee of sale. This ratio is calculated by dividing the gross profit by Net sales. It is usually indicated as a percentage.

Gross Profit Ratio = Gross Profit / Net sales * 100

NET PROFIT RATIO

Net profit ratio is also termed as sales margin ratio or profit margin ratio or net profit to sales ratio. This ratio reveals the firm's overall efficiency in operating the business. Net profit ratio is used to measure the relationship between net profit (either before or after taxes) and sales.

Net Profit Ratio = Net Profit / Net Sales * 100

COMPARATIVE BALANCE SHEET:

The comparative balance sheet analysis is the study of the trend of the same items, group of items and computed items in two or more balance sheet of the same business enterprise on different dates. The changes in periodic balance sheet items reflect the conduct of a business. The changes can be observed by comparison of the conduct of a business the changes can be observed by comparison of the balance sheet at the beginning at the end of period and these changes can help in forming an opinion about the progress of an enterprise.

Procedure of Comparative Balance Sheet:

The Comparative balance sheet has two columns for the data of original balance sheet.

Third column is used to show increases in figures.

The Fourth column is use to give percentages of increase or decrease.

Uses of comparative balance sheet:

- comparative statement helps to comparing the figures with those of the previous year's event, it is possible to determine where expenses increased or decreased
- Comparative balance sheet helps to how to plan the following year's event.

COMMON SIZE BALANCE SHEET:

A balance sheet in which the items are expressed as percentages of total assets or total liabilities. A common-size statement is most useful when one attempts to compare a company to similar companies of different size or when one is comparing year-to-year variations in capital structure in the same company. This type of financial statement can be used to allow for easy analysis between companies or between time periods of a company.

TREND PERCENTAGE ANALYSIS

The next important tools of analysis are trend percentage which plays significant role in analyzing the financial stature of the enterprise through base years' performance ratio computation. This not only reveals the trend movement of the Financial Stability of the enterprise but also highlights the strengths and weaknesses of the enterprise

The following ratio is being used to compute the trend percentage.

$$\frac{\text{Current year}}{\text{Base year}} \times 100$$

This trend ratio is being computed for every component for many numbers of years which not only facilitates comparison but also guides the firm to understand the trend path of the firm.

3.5 LIMITATIONS OF THE STUDY

The limitations of the study are as follows:

1. The study is covered only to the past Financial Stability of Cori Engineers Pvt Ltd.
2. Some of the data has not given by the company due to maintenance of financial secrecy.
3. Financial analysis does not always disclose the correct financial position business.

So, the study cannot be covered to all the areas. The financial data cannot be estimated accurately for the future period due to the financial crisis.

CHAPTER IV

DATA ANALYSIS AND INTERPRETATION

4.1 RATIO ANALYSIS

4.1.1 PROPRIETARY RATIO

Proprietary Ratio shows the relationship between shareholders' funds to total assets of the concern. The shareholders' funds are equity share capital, preference share capital, undistributed profits, reserves and surpluses.

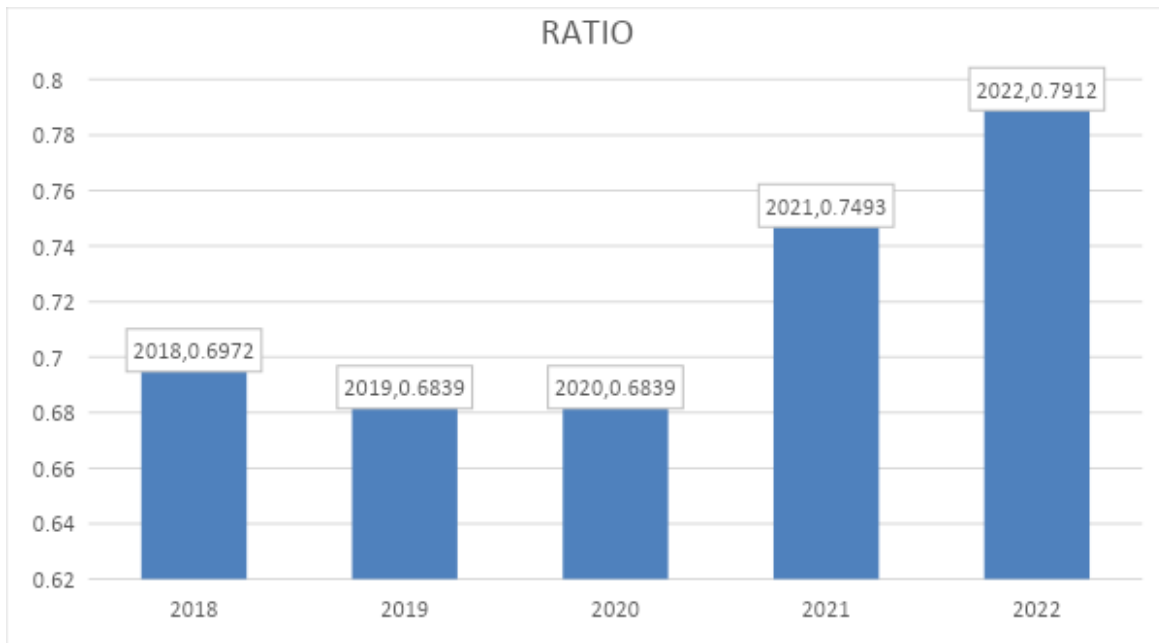
$$\text{Proprietary Ratio} = \frac{\text{Shareholders' Funds}}{\text{Total Assets}}$$

TABLE: 4.1.1 PROPRIETARY RATIO

Year	Shareholder fund	Total Asset	Ratio (Times)
2018	252,254,569	361,790,818	0.69720
2019	263,152,787	385,874,591	0.68196
2020	285,972,116	419,984,704	0.68091
2021	306,850,240	409,481,643	0.74936
2022	321,428,000	406,229,000	0.79124

SOURCE: Secondary data

CHART : 4.1.1 PROPRIETARY RATIO



Interpretation

It shows that proprietary ratio was high in the year 2018 with 0.69720 and low in the year 2020 with 0.68091. Thus, it can be said that the company is maintaining the long-term solvency. The current year (2022) and previous year (20201) proprietary ratio is found to be 0.79124 and 0.74936 it is in a increasing position.

Inference

The current year (2022) proprietary ratio is found to be 0.7912 it is in a increasing position

4.1.2 CURRENT RATIO

Current ratio is an index of the concern's financial stability. If a higher current ratio is an indication of in adequate employment of funds, a poor current ratio is a danger signal to the management.

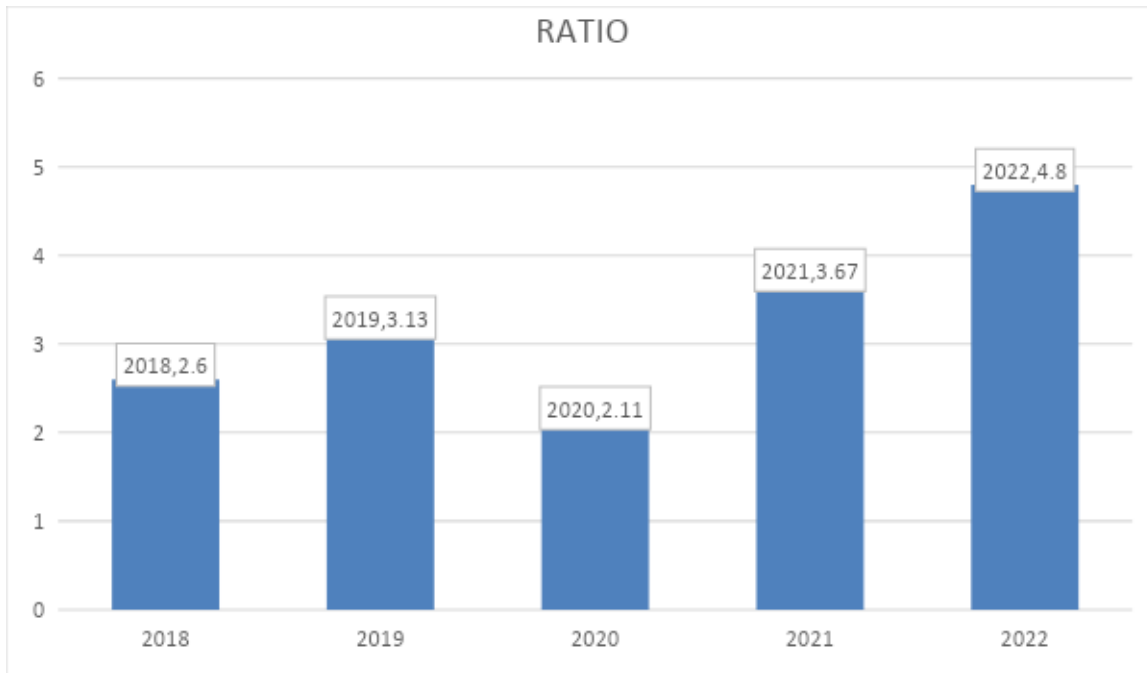
$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liability}}$$

TABLE: 5.1.2 CURRENT RATIO

Year	Current Asset	Current Liability	Current Ratio
2018	166,237,699	64,298,089	2.6
2019	190,497,266	60,784,327	3.13
2020	235,345,915	111,118,742	2.11
2021	225,330,801	61,337,715	3.67
2022	224,404,000	51,737,000	4.8

SOURCE: Secondary data

CHART: 4.1.2 CURRENT RATIO



Interpretation

It shows that current ratio was high in the year 2022 with 4.8 and low in the year 2018 with 2.6. The current year (2022) current ratio is found to be the highest (4.8) due to the decrease in the liabilities

Inference

The current year (2022) current ratio is found to be the highest (4.8) due to the decrease in the liabilities.

4.1.3 CASH POSITION RATIO

This ratio also known as absolute liquidity ratio or super quick ratio. It's calculated when liquidity is highly restricted in terms of cash and cash equivalents.

Cash position ratio = cash and company balances + marketable securities

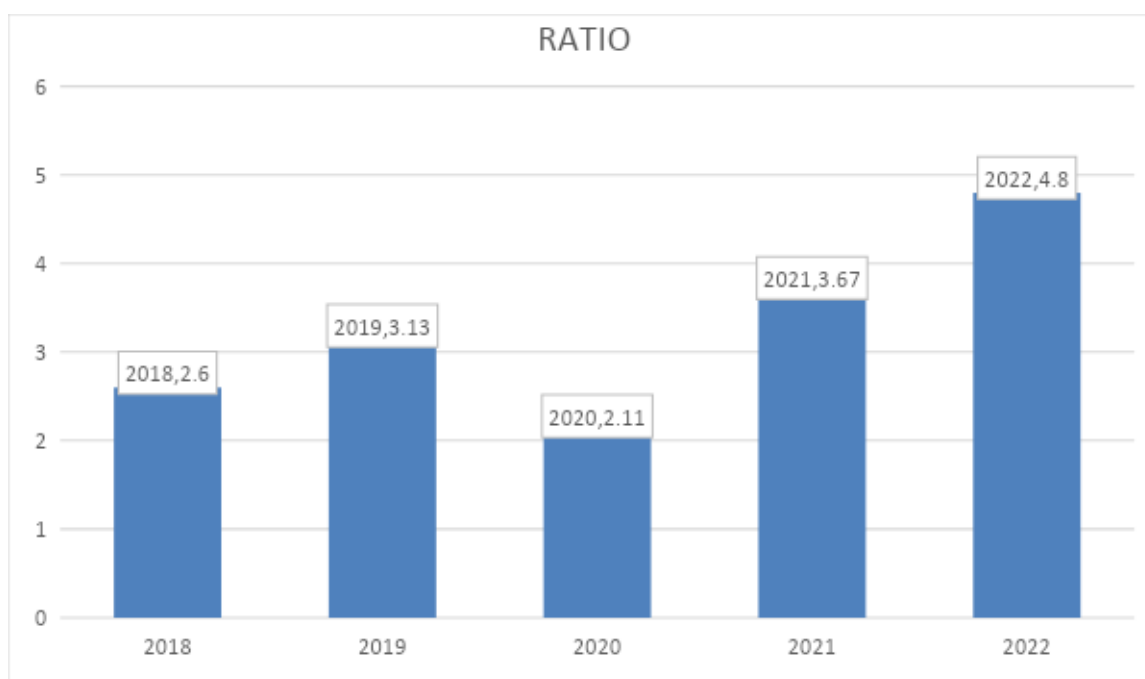
current liabilities.

TABLE: 4.1.3 CASH POSITION RATIO

Year	Current Asset	Current Liability	Current Ratio
2018	166,237,699	64,298,089	2.6
2019	190,497,266	60,784,327	3.13
2020	235,345,915	111,118,742	2.11
2021	225,330,801	61,337,715	3.67
2022	224,404,000	51,737,000	4.8

SOURCE: Secondary data

CHART: 4.1.3 CASH POSITION RATIO



Interpretation

From the table, it is inferred that the cash position ratio is high in the years 2021 and 2022 with 4.8 and low in the year 2018 with 2.6. The current year (2022) cash position ratio has increased to 1.13 when compared to the previous year 2021 with 3.67.

Inference

The current year (2022) cash position ratio has increased to 1.13 when compared to the previous year 2021 with 3.67.

4.1.4 EARNING PER SHARE

Earning per share is a small variation of return on equity capital. It provides a view of the comparative earnings when it compares with that of similar other companies. Thus, the earnings per share are a good measure of profitability.

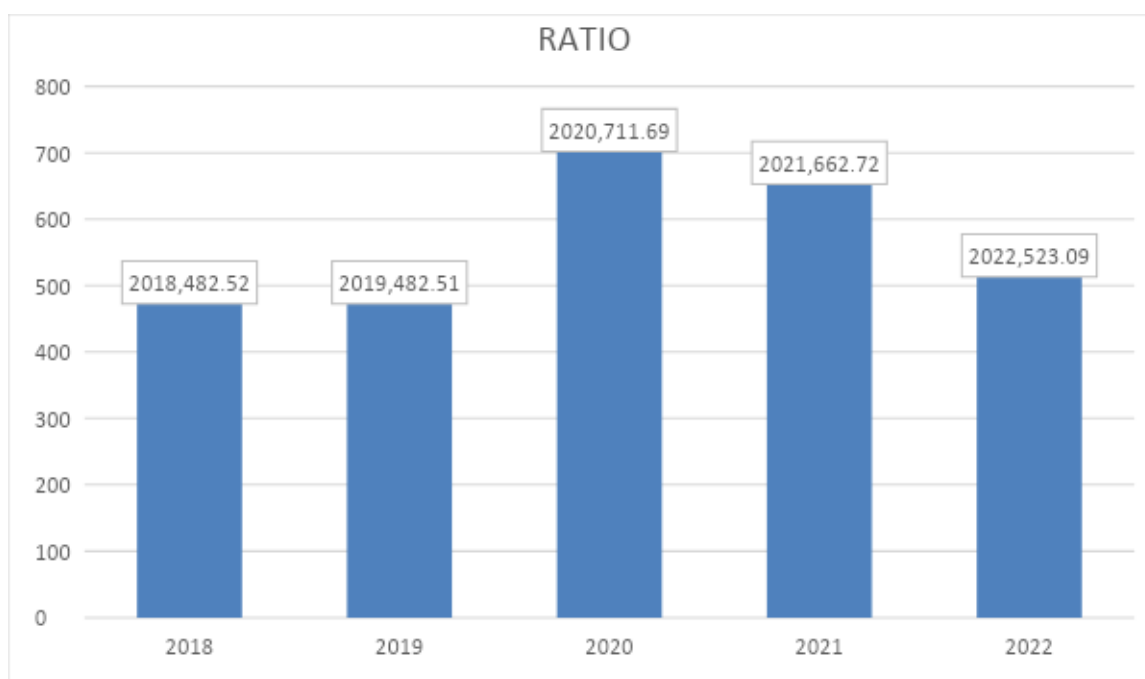
$$\text{Earning Per Share} = \frac{\text{Net Profit After Preference Dividend}}{\text{No. of Equity Shares}}$$

TABLE 4.1.4 EARNING PER SHARE

Years	Net Profit After Preference Dividend	No. of equity shares	Ratio (Times)
2018	6,729.46	63.15	106.56
2019	9,121.57	63.49	143.67
2020	9,166.39	63.49	144.37
2021	7,370.69	63.50	116.07
2022	11,713.34	67.26	174.15

SOURCE: Secondary data

CHART 4.1.4 EARNING PER SHARE



Interpretation

The earnings per share shows were found to be high in the year 2020 with 711.69 and low in the year 2019 with 482.51. The current year (2022) earnings per share ratio is found to be decreasing with 139.63 when compared to the previous year with 662.72. This is due to the decrease in the net profit

Inference

The current year (2022) earnings per share ratio is found to be increasing with 174.15 when compared to the previous year with 116.07.

4.1.5 DIVIDEND PAYOUT RATIO

The dividend payout ratio shows how much of a company's earnings after tax (EAT) are paid to shareholders.

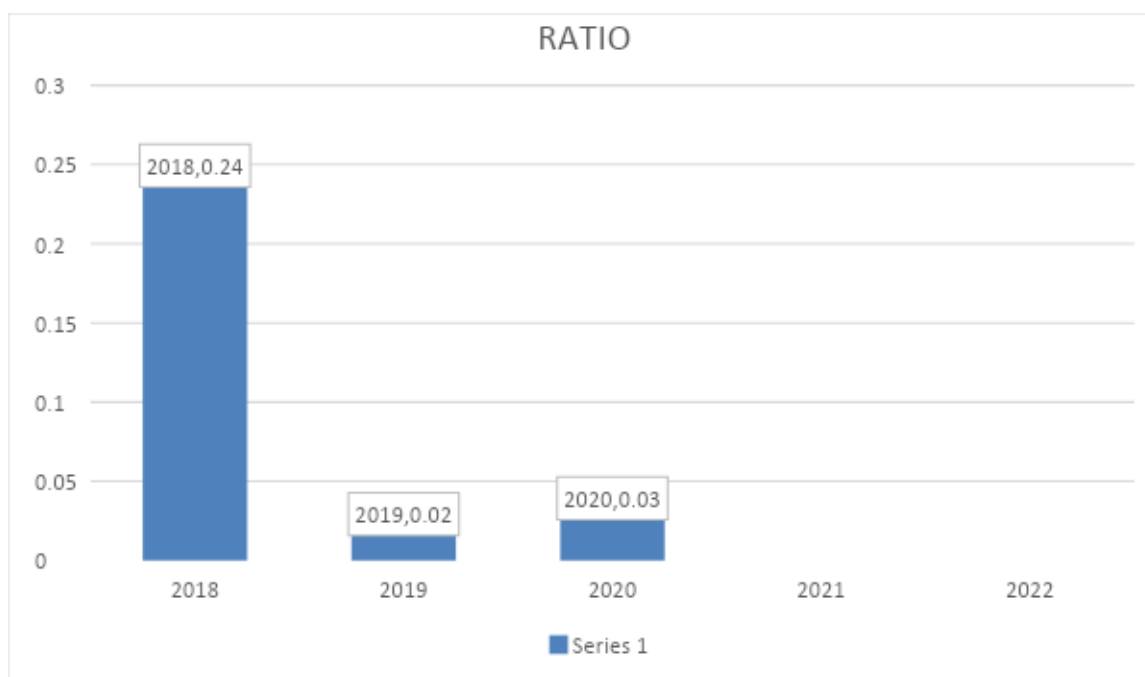
$$\text{Dividend Payout Ratio} = \frac{\text{Total Dividend}}{\text{Total Income}}$$

TABLE 4.1.5 DIVIDEND PAYOUT RATIO

Year	Total Dividend	Total Income	Ratio's
2018	10,861,106	445,908,765	0.24
2019	10,872,661	507,314,166	0.02
2020	13,915,833	501,442,005	0.027
2021	-	504,2076,604	-
2022	-	465,496,000	-

SOURCE: Secondary data

CHART 4.1.5 DIVIDEND PAYOUT RATIO



Interpretation

From the above table it is found that the dividend payout ratio is found to be high in the year 2018 and low in the years 2018, 2019 and 2021 with 0. The current year 2022 dividend payout ratio is found to be 0.

Inference

The current year 2022 dividend payout ratio is found to be 0.

4.1.6 DEBT-EQUITY RATIO

This ratio helps to ascertain the soundness of the long-term financial position of the company. It indicates the proportion between total long-term debt and the shareholders' funds. This also indicates the extent to which the firm depends upon outsiders for its existence.

FORMULA: -

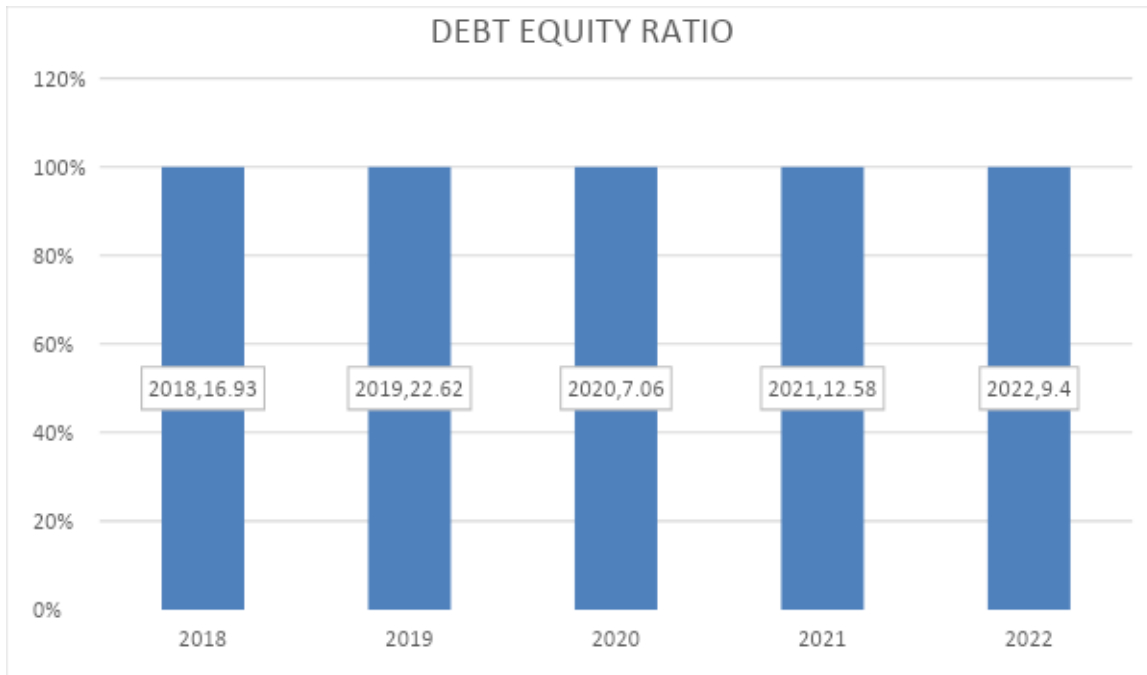
$$\text{Debt-equity Ratio} = \frac{\text{Total long-term debt}}{\text{Shareholders' funds}}$$

TABLE 4.1.6: DEBT-EQUITY RATIO

Year	Total Long -Term Debt	Shareholders Fund	Debt-Equity Ratio
2018	42,710,812	252,254,569	16.93
2019	59,524,400	263,152,787	22.62
2020	20,190,000	285,972,116	7.06
2021	38,590,000	306,850,240	12.58
2022	30,190,000	321,428,000	9.40

SOURCE: Secondary data

CHART 4.1.6: DEBT-EQUITY RATIO



Interpretation

The debt-equity ratio is another leverage ratio that compares a company's total liabilities to its total shareholders' equity. In the debt ratio, a lower the percentage means that a company is using less leverage and has a stronger equity position. In the year 2019 the Debt-equity ratio is higher which means that the company is having a higher leverage.

Inference

In the year 2019 the Debt-equity ratio is higher which means that the company is having a higher leverage, in current year it maintains less leverage.

4.1.7 FIXED ASSET RATIO

This ratio establishes the relationship between fixed assets and long-term funds. The objective of calculating this ratio is to ascertain the proportion of long-term funds invested in fixed assets. The ratio is calculated as given below

FORMULA: -

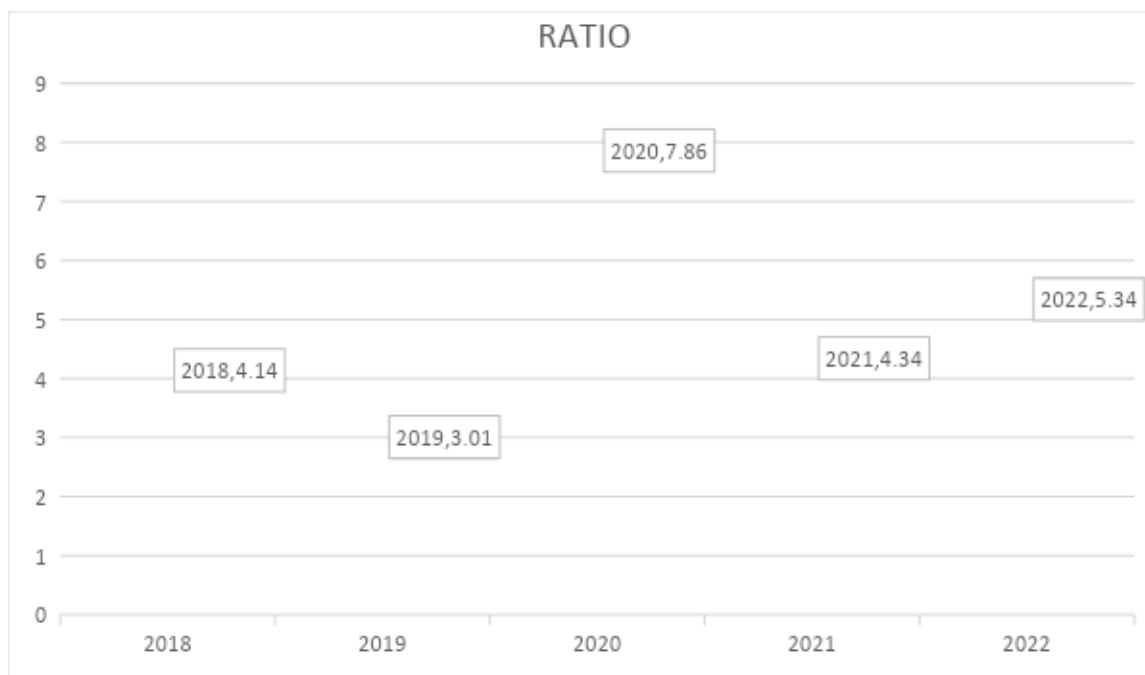
$$\text{Fixed asset ratio} = \frac{\text{Fixed asset}}{\text{Long term Funds}}$$

TABLE 4.1.7 FIXED ASSET RATIO

YEAR	FIXED ASSET	LONG TERM FUND	FIXED ASSET RATIO
2018	1887,229,917	45,238,160	4.14
2019	186,115,969	61,937,477	3.01
2020	179,971,041	22,893,846	7.86
2021	179,280,864	41,293,864	4.34
2022	176,574,000	33,064,000	5.34

SOURCE: Secondary data

CHART 4.1.7 FIXED ASSET RATIO



Interpretation

From the above chart it is inferred that the fixed asset of the company is in the increasing position. Even though the fixed assets are in the increasing rate 2021 ratio is decreased to 4.34. In the year 2022 the Fixed asset ratio is increased to 5.34. This means that the company's fixed asset position is satisfactory

Inference

In the year 2022 the Fixed asset ratio is increased to 5.34. This means that the company's fixed asset position is satisfactory

4.1.8 RETURN ON ASSETS

The **return on assets ratio (ROA)** is considered an overall measure of profitability. It measures how much net income was generated for each \$1 of assets the company has. ROA is a combination of the profit margin ratio and the asset turnover ratio. It can be calculated separately by dividing net income by average total assets or by multiplying the profit margin ratio times the asset turnover ratio.

FORMULA: -

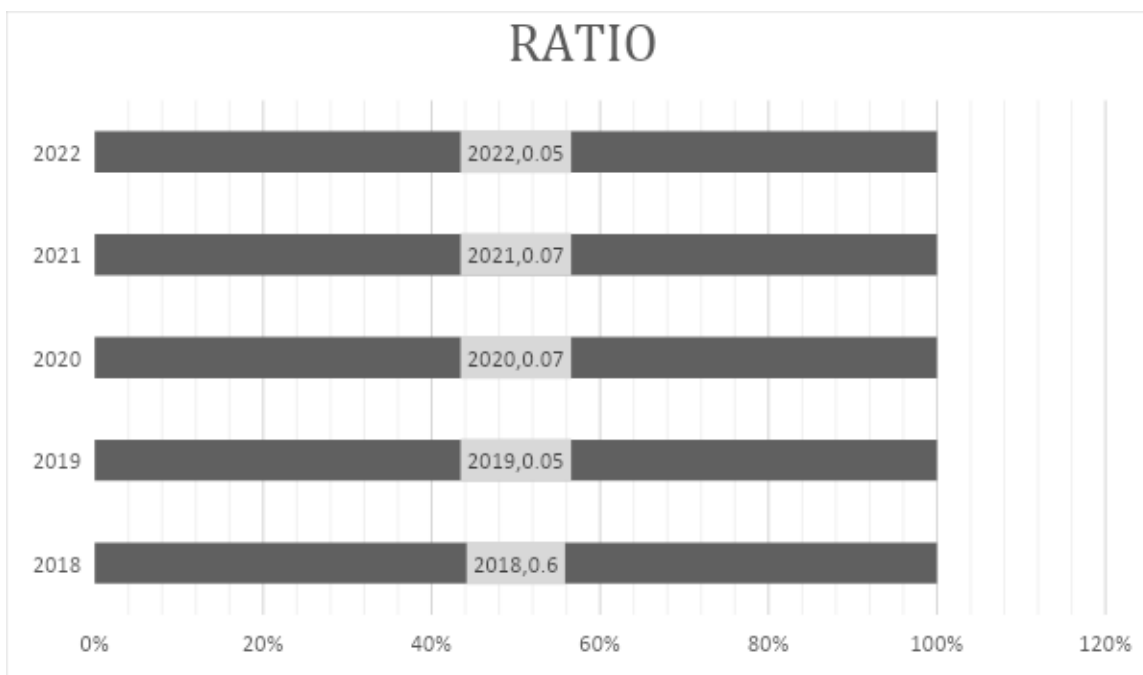
$$\text{Fixed asset ratio} = \frac{\text{Net Income}}{\text{Total Assets}}$$

TABLE 4.1.8 RETURN ON ASSETS

YEAR	NET INCOME	TOTAL ASSETS	RETURN ON ASSETS
2018	21,771,148	361,790,818	0.60
2019	21,770,849	385,874,591	0.05
2020	32,111,637	419,984,704	0.07
2021	29,901,966	409,481,643	0.07
2022	23,602,000	406,229,000	0.05

SOURCE: Secondary data

CHART 4.1.8 RETURN ON ASSETS



Interpretation

From the above it is inferred that the total asset and the net income of the company raises every year but there is a fall in the Return on asset in the year 2029 this is due to the Risk taken by the company in borrowings and more investment is made. On the year 2020 & 2021 the Return on Asset is higher. Thus, higher values of return on assets show that business is more profitable, but in the current year value has been increased.

Inference

On the year 2022 the Return on Asset is higher. Thus, higher values of return on assets show that business is more profitable

4.1.9 RETURN ON COMMON STOCKHOLER'S EQUITY

The **return on common stockholders' equity** (ROE) measures how much net income was earned relative to each dollar of common stockholders' equity. It is calculated by dividing net income by average common stockholders' equity. In a simple capital structure (only common stock outstanding), average common stockholders' equity is the average of the beginning and ending stockholders' equity.

FORMULA:

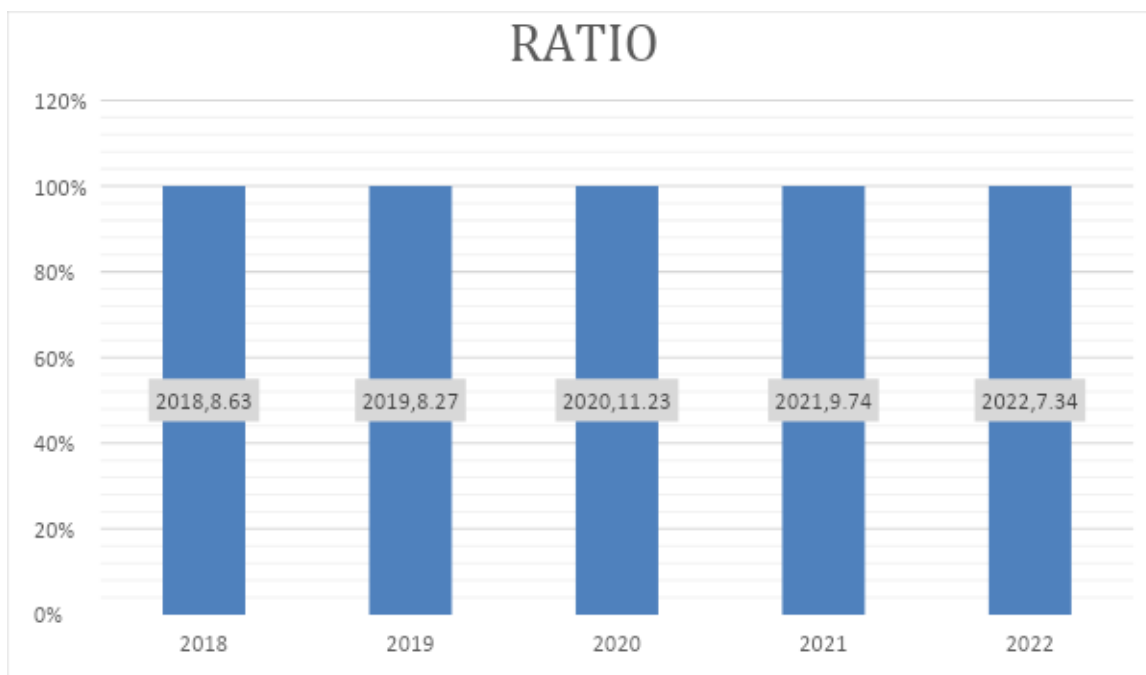
$$\text{RETURN ON COMMON STOCKHOLDERS' EQUITY} = \frac{\text{NET INCOME}}{\text{COMMON STOCK HOLDERS' EQUITY}}$$

TABLE 4.1.9: RETURN ON COMMON STOCKHOLER'S EQUITY

YEAR	NET INCOME	COMMON STOCKHOLDERS' EQUITY	RETURN ON COMMON STOCKHOLDERS' EQUITY
2018	21,771,148	252,254,569	8.27
2019	21,770,849	263,152,787	8.63
2020	32,111,637	285,972,116	11.23
2021	29,901,966	306,850,240	9.74
2022	23,602,000	321,428,000	7.34

SOURCE: Secondary data

CHART 4.1.9: RETURN ON COMMON STOCKHOLER'S EQUITY



Interpretation

From the above it is inferred that the return on stock holder's equity is in an increasing trend till 2020 but in the year 2021 the equity percentage has been decreased to 9.74 this is due to the decrease in the net income. The current year (2022) return on shareholder's equity is further decreased to 7.34

Inference

The current year (2022) return on shareholders' equity is decreased to 7.34

4.2 COMPARATIVE BALANCE SHEET

4.2.1 COMPARATIVE BALANCE SHEET AS ON 31 March 2018

PARTICULARS	2018 AMOUNT (rs)	2017 AMOUNT (rs)	CHANGES IN ABSOLUTE VALUE	CHANGES IN PERCENTAGE
EQUITY AND LIABILITIES				
Shareholder's Fund				
(a) Share capital	4,512,000	4,512,000	-	0 %
(b) Reserves and surplus	247,742,569	236,832,527	10,910,042	4.6%
NON - CURRENT LIABILITIES				
a) Long-term borrowings	42,710,812	30,948,769	11,762,043	38%
b) Long term provisions	2,295,385	2,021,923	273,462	13.52%
CURRENT LIABILITIES				
(a) Short term borrowings	-	-	-	-
(b) Trade payables	54,281,851	60,704,890	(6,423,039)	10.58 %
(c) Other current liabilities	5,400,258	5,915,118	(514,850)	-8.70%
(d) Short term provisions	4,615,970	4,615,970	-	-
TOTAL	361,790,818	345,551,197	16,239,621	
ASSETS				
NON - CURRENT ASSETS				
(a) Fixed assets (1) Tangible assets	187,229,917	67,177,856	120,052,061	178.71%
(b) Deferred tax assets (net)			-	-
(c) Long term loans and advances	8,323,202	7,872,062	451,140	5.73%

CURRENT ASSETS				
(a) inventories	54,570,823	41,105,409	13,465,414	32.76%
(b) Trade receivables	101,975,297	90697,584	11,277,713	12.43%
(c) Cash and cash equivalents	1,701,180	31,610,904	(29,909,724)	94.612%
(d) Other current assets	7,990,400	4,480,305	3,510,095	78.34%
TOTAL	361,790,818	345,551,197	16,239,621	

4.2.2 COMPARATIVE BALANCE SHEET AS ON 31 March 2019

PARTICULARS	2019 AMOUNT(rs)	2018 AMOUNT (rs)	CHANGES IN ABSOLUTE VALUE	CHANGES IN PERCENTAGE
EQUITY AND LIABILITIES				
Shareholder's Fund				
(a) Share capital	4,512,000	4,512,000	-	0 %
(b)Reserves and surplus	258,640,787	247,742,569	10,898,218	4.40%
NON - CURRENT LIABILITIES				
(a) Long-term borrowings	59,524,400	42,710,812	16,813,588	39.37%
(b) Long term provisions	2,413,077	2,295,385	117,692	5.13%
CURRENT LIABILITIES				
(a) Short term borrowings	39,334,400	-		-
(b) Trade payables	50,134,640	54,281,851	(4,147,211)	7.6 %
(c) Other current liabilities	6,026,161	5,400,258	625,903	11.5%
(d) Short term provisions	4,623,525	4,615,970	7,555	0.16%
TOTAL	385,874,591	361,790,818	24,083,773	
ASSETS				
NON - CURRENT ASSETS				
(a) Fixed assets				
(1) Tangible assets	181,412,988	187,229,917	(5,816,929)	3.1%
	4,702,982	-	-	
(2) Capital work in progress				
(b) Deferred tax assets (net)	456,596		-	-

(c) Long term loans and advances	8,804,761	8,323,202	481,559	5.79%
CURRENT ASSETS				
(a) inventories	80,269,846	54,570,823	25,699,023	47.1%
(b) Trade receivables	95,950,161	101,975,297	(6,025,136)	-5.91%
(c) Cash and cash equivalents	6,759,961	1,701,180	5,058,781	2.97%
(d) Other current assets	12,842,496	7,990,400	4,852,096	60.72%
TOTAL	385,874,591	361,790,818	24,083,773	

4.2.3 COMPARATIVE BALANCE SHEET AS ON 31 March 2020

PARTICULARS	2020 AMOUNT (rs)	2019 AMOUNT (rs)	CHANGES IN ABSOLUTE VALUE	CHANGES IN PERCENTAGE
EQUITY AND LIABILITIES				
Shareholder's Fund				
(a) Share capital	4,512,000	4,512,000	-	0 %
(b) Reserves and surplus	281,460,116	258,640,787	22,819,329	8.8%
NON - CURRENT LIABILITIES				
(a) Long-term borrowings	20,190,000	20,190,000	-	
(b) Long term provisions	2,703,846	2,413,077	290,769	12.05%
CURRENT LIABILITIES				
(a) Short term borrowings	42,025,713	39,334,400	2,691,313	6.84%
(b) Trade payables	61,962,686	50,134,640	11,828,046	23.6%
(c) Other current liabilities	7,130,343	6,026,161	1,104,182	18.32%
(d) Short term provisions	-	-		
TOTAL	419,984,704	385,874,591	34,110,113	
ASSETS				
NON - CURRENT ASSETS				
(a) Fixed assets				
(1) Tangible assets	175,268,059	181,412,988	(6,144,929)	3.39%
(2) Capital work in progress	4,702,982	4,702,982	-	
(b) Deferred tax assets (net)	968,886	456,596	512,290	112.20%
(c) Long term loans and advances	3,698,862	3,479,562	219,264	6.30%

CURRENT ASSETS				
(a) inventories	115,486,428	80,269,846	35,216,582	43.87%
(b) Trade receivables	89,427,793	95,950,161	6,522,368	6.80%
(c) Cash and cash equivalents	6,721,723	6,759,961	38,238	0.56%
(d) Other current assets	23,709,972	12,842,496	10,867,476	84.6%
TOTAL	419,984,704	385,874,591	34,110,113	

4.2.4 COMPARATIVE BALANCE SHEET AS ON 31 March 2021

PARTICULARS	2021 AMOUNT (rs)	2020 AMOUNT (rs)	CHANGES IN ABSOLUTE VALUE	CHANGES IN PERCENTAGE
EQUITY AND LIABILITIES				
Shareholder's Fund				
(a) Share capital	4,512,000	4,512,000	-	0 %
(b) Reserves and surplus	302,338,082	281,460,116	20,877,966	7.4%
NON - CURRENT LIABILITIES				
(a) Long-term borrowings	38,590,000	20,190,000	18,400,000	91.1%
(b) Long term provisions	2,703,846	2,703,846	-	0%
CURRENT LIABILITIES				
(a) Short term borrowings	16,347,058	42,025,713	(25,678,655)	-61%
(b) Trade payables	26,183,876	61,962,686	(35,778,810)	-57.7%
(c) Other current liabilities	10,685,181	7,130,343	3,554,838	49.8%
(d) Short term provisions	8,121,600	-		
TOTAL	409,481,643	419,984,704	10,503,061	
ASSETS				
NON - CURRENT ASSETS				
(a) Fixed assets (1) Tangible assets	174,577,882	175,268,059	(6,90,177)	-0.39%
(2) Capital work in progress	4,702,982	4,702,982	-	
(b) Deferred tax assets (net)	1,382,816	968,886	413,930	42.7%
(c) Long term loans and advances	3,487,162	3,698,862	211,700	5.72%

CURRENT ASSETS				
(a) inventories	59,848,462	115,486,428	55,637,966	48.18%
(b) Trade receivables	139,265,678	89,427,793	49,837,885	55.72%
(c) Cash and cash equivalents	10,784,979	6,721,723	4,063,256	60.4%
(d) Other current assets	15,431,681	23,709,972	(8,278,291)	-34.9%
TOTAL	409,481,643	419,984,704	10,503,061	

4.2.5 COMPARATIVE BALANCE SHEET AS ON 31 March 2022

PARTICULARS	2022 AMOUNT (rs)	2021 AMOUNT (rs)	CHANGES IN ABSOLUTE VALUE	CHANGES IN PERCENTAGE
EQUITY AND LIABILITIES				
Shareholder's Fund				
(a) Share capital	4,512,000	4,512,000	-	0 %
(b) Reserves and surplus	316,916,000	302,338,082	14,577,918	4.8%
NON - CURRENT LIABILITIES				
(a) Long-term borrowings	30,190,000	38,590,000	(8,400,000)	-21.8%
(b) Long term provisions	2,874,000	2,703,846	170,154	6.29%
CURRENT LIABILITIES				
(a) Short term borrowings	7,882,000	16,347,058	(8,465,058)	-51.8%
(b) Trade payables	31,886,000	26,183,876	5,702,124	21.78%
(c) Other current liabilities	7,299,000	10,685,181	(3,386,181)	-31.69%
(d) Short term provisions	4,670,000	8,121,600	(3,451,600)	-42.50%
TOTAL	406,229,000	409,481,643	(3,252,643)	
ASSETS				
NON - CURRENT ASSETS				
(a) Fixed assets				
(1) Tangible assets	170,871,000 0.00	174,577,882 0.00	(3,706,882) -	-2.12% -
(2) Intangible assets	5,703,000	4,702,982	1,000,018	21.26%
(3) Capital wk.in prog				
(b) Deferred tax assets (net)	1,960,000	1,382,816	577,184	41.7%

(c) Long term loans and advances	3,691,000	3,487,162	203,838	5.84%
CURRENT ASSETS				
(a) inventories	62,136,000	59,848,462	2,287,538	3.82%
(b) Trade receivables	118,761,000	139,265,678	(20,504,678)	14.72%
(c) Cash and cash equivalents	12,261,000	10,784,979	1,476,021	13.68%
(d) Other current assets	30,846,000	15,431,681	15,414,319	99.9%
TOTAL	406,229,000	409,481,643	(3,252,643)	

4.3 COMMON SIZE BALANCE

4.3.1 COMMON SIZE BALANCE SHEET AS ON 31 March 2018

PARTICULARS	2018 AMOUNT (rs)	2017 AMOUNT (rs)	CHANGES IN PERCENTAGE (cy)	CHANGES IN PERCENTAGE (py)
EQUITY AND LIABILITIES				
Shareholder's Fund				
(c) Share capital	4,512,000	4,512,000	0%	0%
(d) Reserves and surplus	247,742,569	236,832,527	4.6%	4.6%
NON - CURRENT LIABILITIES				
c) Long-term borrowings	42,710,812	30,948,769	38%	38%
d) Long term provisions	2,295,385	2,021,923	13.52%	13.52%
CURRENT LIABILITIES				
(e) Short term borrowings	-	-	-	-
(f) Trade payables	54,281,851	60,704,890	10.58 %	10.58 %
(g) Other current liabilities	5,400,258	5,915,118	-8.70%	-8.70%
(h) Short term provisions	4,615,970	4,615,970	-	-
TOTAL	361,790,818	345,551,197		
ASSETS				
NON - CURRENT ASSETS				
(d) Fixed assets (2) Tangible assets	187,229,917	67,177,856	178.71%	178.71%
(3) Capital work in progress	-	-		
(e) Deferred tax assets (net)			-	-

(f) Long term loans and advances	8,323,202	7,872,062	5.73%	5.73%
CURRENT ASSETS				
(e) inventories	54,570,823	41,105,409	32.76%	32.76%
(f) Trade receivables	101,975,297	90697,584	12.43%	12.43%
(g) Cash and cash equivalents	1,701,180	31,610,904	94.612%	94.612%
(h) Other current assets	7,990,400	4,480,305	78.34%	78.34%
TOTAL	361,790,818	345,551,197		

4.3.2 COMMON SIZE BALANCE SHEET AS ON 31 March 2019

PARTICULARS	2019 AMOUNT (rs)	2018 AMOUNT (rs)	CHANGES IN PERCENTAGE (cy)	CHANGES IN PERCENTAGE (py)
EQUITY AND LIABILITIES				
Shareholder's Fund				
(e) Share capital	4,512,000	4,512,000	0 %	0%
(f) Reserves and surplus	258,640,787	247,742,569	4.40%	4.6%
NON - CURRENT LIABILITIES				
e) Long-term borrowings	59,524,400	42,710,812	39.37%	38%
f) Long term provisions	2,413,077	2,295,385	5.13%	13.52%
CURRENT LIABILITIES				
(i) Short term borrowings	39,334,400	-	-	-
(j) Trade payables	50,134,640	54,281,851	7.6 %	10.58 %
(k) Other current liabilities	6,026,161	5,400,258	11.5%	-8.70%
(l) Short term provisions	4,623,525	4,615,970	0.16%	-
TOTAL	385,874,591	361,790,818		
ASSETS				
NON - CURRENT ASSETS				
(g) Fixed assets (4) Tangible assets	181,412,988	187,229,917	3.1%	178.71%
(5) Capital work in progress	4,702,982	-		
(h) Deferred tax assets (net)	456,596	-	-	-
(i) Long term loans and advances	8,804,761	8,323,202	5.79%	5.73%

CURRENT ASSETS				
(i) inventories	80,269,846	54,570,823	47.1%	32.76%
(j) Trade receivables	95,950,161	101,975,297	-5.91%	12.43%
(k) Cash and cash equivalents	6,759,961	1,701,180	2.97%	94.612%
(l) Other current assets	12,842,496	7,990,400	60.72%	78.34%
TOTAL	385,874,591	361,790,818		

4.3.3 COMMON SIZE BALANCE SHEET AS ON 31 March 2020

PARTICULARS	2020 AMOUNT (rs)	2019 AMOUNT (rs)	CHANGES IN PERCENTAGE (cy)	CHANGES IN PERCENTAGE (py)
EQUITY AND LIABILITIES				
Shareholder's Fund				
(g) Share capital	4,512,000	4,512,000	0 %	0 %
(h) Reserves and surplus	247,742,569	258,640,787	8.8%	4.40%
NON - CURRENT LIABILITIES				
g) Long-term borrowings	42,710,812	59,524,400		39.37%
h) Long term provisions	2,295,385	2,413,077	12.05%	5.13%
CURRENT LIABILITIES				
(m) Short term borrowings	-	39,334,400	6.84%	-
(n) Trade payables	54,281,851	50,134,640	23.6%	7.6 %
(o) Other current liabilities	5,400,258	6,026,161	18.32%	11.5%
(p) Short term provisions	4,615,970	4,623,525		0.16%
TOTAL	361,790,818	385,874,591		
ASSETS				
NON - CURRENT ASSETS				
(j) Fixed assets (6) Tangible assets	187,229,917	181,412,988	3.39%	3.1%
(7) Capital work in progress	-	4,702,982		
(k) Deferred tax assets (net)		456,596	112.20%	-

(l) Long term loans and advances	8,323,202	8,804,761	6.30%	5.79%
CURRENT ASSETS				
(m)inventories	54,570,823	80,269,846	43.87%	47.1%
(n) Trade receivables	101,975,297	95,950,161	6.80%	-5.91%
(o) Cash and cash equivalents	1,701,180	6,759,961	0.56%	2.97%
(p) Other current assets	7,990,400	12,842,496	84.6%	60.72%
TOTAL	361,790,818	385,874,591		

4.3.4 COMMON SIZE BALANCE SHEET AS ON 31 March 2021

PARTICULARS	2021 AMOUNT (rs)	2020 AMOUNT (rs)	CHANGES IN PERCENTAGE (cy)	CHANGES IN PERCENTAGE (py)
EQUITY AND LIABILITIES				
Shareholder's Fund				
(i) Share capital	4,512,000	4,512,000		0 %
(j) Reserves and surplus	302,338,082	247,742,569	0 %	8.8%
NON - CURRENT LIABILITIES			7.4%	
i) Long-term borrowings	38,590,000	42,710,812		
j) Long term provisions	2,703,846	2,295,385	91.1%	12.05%
CURRENT LIABILITIES			0%	
(q) Short term borrowings	16,347,058	-		6.84%
(r) Trade payables	26,183,876	54,281,851	-61%	23.6%
(s) Other current liabilities	10,685,181	5,400,258	-57.7%	18.32%
(t) Short term provisions	8,121,600	4,615,970	49.8%	
TOTAL	409,481,643	361,790,818		
ASSETS				
NON - CURRENT ASSETS				
(m)Fixed assets				
(8) Tangible assets	174,577,882 0.00 4,702,982	187,229,917 -		3.39%
(9) Capital work in progress				
(n) Deferred tax assets (net)	1,382,816		-0.39%	112.20%

(o) Long term loans and advances	3,487,162	8,323,202	42.7%	6.30%
CURRENT ASSETS			5.72%	
(q) inventories	59,848,462	54,570,823		43.87%
(r) Trade receivables	139,265,678	101,975,297	48.18%	6.80%
(s) Cash and cash equivalents	10,784,979	1,701,180	55.72%	0.56%
(t) Other current assets	15,431,681	7,990,400	60.4%	84.6%
TOTAL	409,481,643	361,790,818	-34.9%	

4.3.5 COMMON SIZE BALANCE SHEET AS ON 31 March 2022

PARTICULARS	2022 AMOUNT (rs)	2021 AMOUNT (rs)	CHANGES IN PERCENTAGE (cy)	CHANGES IN PERCENTAGE (py)
EQUITY AND LIABILITIES				
Shareholder's Fund				
(k) Share capital	4,512,000	4,512,000	0 %	0 %
(l) Reserves and surplus	302,338,082	316,916,000	4.8%	7.4%
NON - CURRENT LIABILITIES				
k) Long-term borrowings	38,590,000	30,190,000	-21.8%	91.1%
l) Long term provisions	2,703,846	2,874,000	6.29%	0%
CURRENT LIABILITIES				
(u) Short term borrowings	16,347,058	7,882,000	-51.8%	-61%
(v) Trade payables	26,183,876	31,886,000	21.78%	-57.7%
(w) Other current liabilities	10,685,181	7,299,000	-31.69%	49.8%
(x) Short term provisions	8,121,600	4,670,000	-42.50%	
TOTAL	409,481,643	406,229,000		
ASSETS				
NON - CURRENT ASSETS				
(p) Fixed assets				-0.39%
(10) Tangible assets	174,577,882 0.00 4,702,982	170,871,000 0.00 5,703,000	-2.12% - 21.26%	
(11) Capital work in progress				

(q) Deferred tax assets (net)	1,382,816	1,960,000	41.7%	42.7%
(r) Long term loans and advances	3,487,162	3,691,000	5.84%	5.72%
CURRENT ASSETS				
(u) inventories	59,848,462	62,136,000	3.82%	48.18%
(v) Trade receivables	139,265,678	118,761,000	14.72%	55.72%
(w) Cash and cash equivalents	10,784,979	12,261,000	13.68%	60.4%
(x) Other current assets	15,431,681	30,846,000	99.9%	-34.9%
TOTAL	409,481,643	406,229,000		

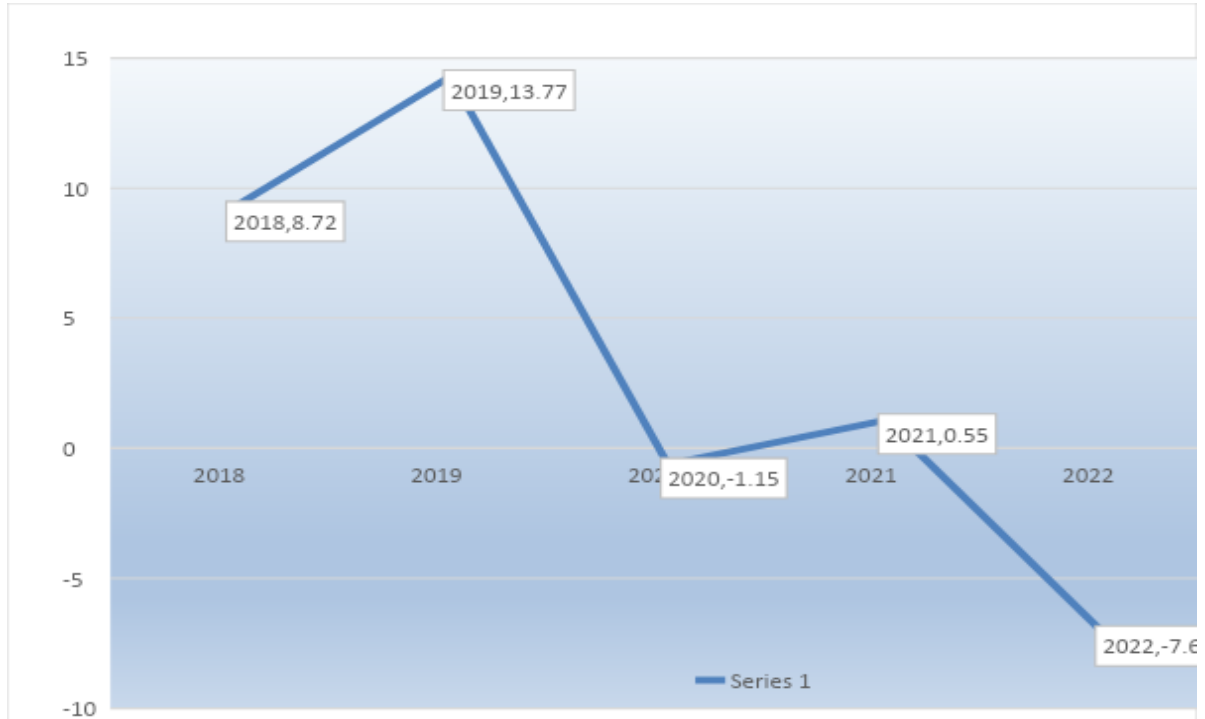
4.4 TREND ANALYSIS

4.4.1 TABLE SHOWING TREND PERCENTAGE OF TOTAL INCOME

Year	TOTAL INCOME	TREND %
2018	445,908,765	8.72
2019	507,314,166	13.77
2020	504,206,604	(1.15)
2021	501,206,604	0.55
2022	465,496,000	(7.6)

SOURCE: Secondary data

CHART 4.4.1 SHOWING TREND PERCENTAGE OF TOTAL INCOME



INFERENCE:

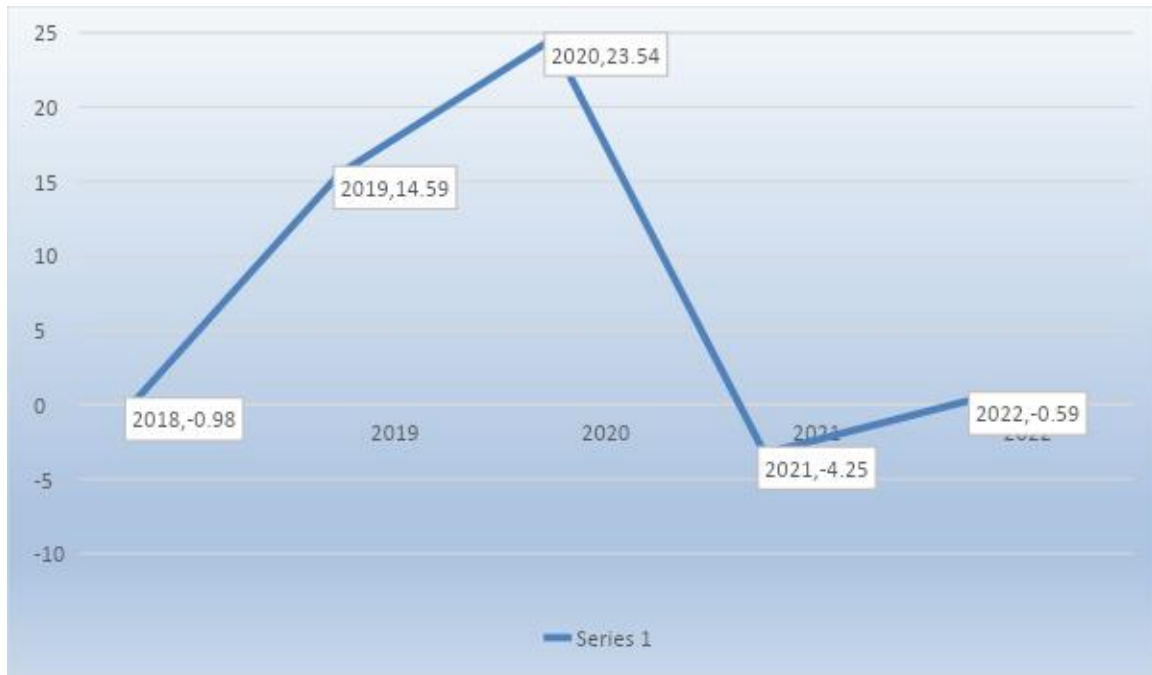
From the above trend analysis showing, it is inferred as base year 2018. The trend analysis for net income is lowest in the year 2022 with -7.6.

4.4.2 TABLE SHOWING TREND PERCENTAGE OF CURRENT ASSET

Year	CURRENT ASSET	TREND %
2018	166,237,699	(0.98)
2019	190,497,266	14.59
2020	235,345,915	23.54
2021	225,330,801	(4.25)
2022	224,004,000	(0.59)

SOURCE: Secondary data

CHART 5.4.2 SHOWING TREND PERCENTAGE OF CURRENT ASSET



INFERENCE:

From the above trend analysis showing, it is inferred as base year 2018. Current asset has been decreased during the year 2022 & 2021. The current year 2022 trend percentage for current asset has decreased.

CHAPTER V

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS

- The current year (2022) proprietary ratio is found to be 0.7912 it is in a increasing position
- The current year (2022) current ratio is found to be the highest (4.8) due to the decrease in the liabilities
- The current year (2022) cash position ratio has increased to 1.13 when compared to the previous year 2021 with 3.67.
- The current year (2022) earnings per share ratio is found to be increasing with 174.15 when compared to the previous year with 116.07.
- The current year 2022 dividend payout ratio is found to be 0.
- In the year 2019 the Debt-equity ratio is higher which means that the company is having higher leverage, in current year it maintains less leverage.
- In the year 2022 the Fixed asset ratio is increased to 5.34. This means that the company's fixed asset position is satisfactory
- On the year 2022 the Return on Asset is higher. Thus, higher values of return on assets show that business is more profitable
- The current year (2022) return on shareholders' equity is decreased to 7.34
- The trend analysis for net income is lowest in the year 2022 with -7.6.
- The current year 2022 trend percentage for current asset has decreased.

5.2 SUGGESTIONS

- Company may look into the measures how to reduce the loans and advances in the coming periods.
- Company may look into maintain the current assets and current liabilities. Current liabilities may reduce coming periods.
- It is suggested to the company can strongly focus on cost reduction strategy that will make a company more profitability.
- The company has a bright future if it concentrates more on its working capital short term, investments, thus achieving the overall objectives of the company.
- Thus, it is essential to avoid excessive liquidity but to maintain sufficient liquidity to ensure smooth running of the company's operation.
- The company has better liquidity position and has to maintain same in the future.

5.3 CONCLUSION

The efficient and smooth functioning of all the activities of the company depends upon the financial stability of the company. The financial stability analysis thus is a forward-looking exercise as it is helpful in future financial planning decision making. It is determined to analysis forecasting future financial position. Through financial statement analysis, the present position and operating efficiency of the firm as a whole and its different departments can be identified. Further, the reasons for change in the profitability financial position of the firm can be found and necessary measures can be taken.

Financial stability can improve the financial strength of company. The company's liquidity position has to increase and it will solve future problem. The company is maintaining the reserves and surplus better so it can face financial stress in the future. To proper maintain of financial stability to achieve the company goal

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ANNEXURE I- COMPANY BALANCE SHEET

Standalone Balance Sheet Cori Engineers Pvt Ltd Pvt Ltd		----- in Rs. Cr. -----			
	2022	2021	2020	2019	2018
	12 mths	12 mths	12 mths	12 mths	12 mths
Capital and Liabilities:					
Net Worth	83,951.20	64,986.04	65,949.20	57,947.70	49,032.66
Deposits	1,043,647.36	933,932.81	804,116.23	742,073.13	537,403.94
Borrowings	127,005.57	119,568.96	103,011.60	53,713.68	51,727.41
Total Debt	1,170,652.93	1,053,501.77	907,127.83	795,786.81	589,131.35
Other Liabilities & Provisions	80,915.09	105,248.39	80,336.70	110,697.57	83,362.30
Total Liabilities	1,335,519.22	1,223,736.20	1,053,413.73	964,432.08	721,526.31
	2022	2021	2020	2019	2018
	12 mths	12 mths	12 mths	12 mths	12 mths
Assets					
Cash & Balances with RBI	54,075.94	94,395.50	61290.87	55,546.17	51,534.62
Balance with Company's, Money at Call	43,087.23	28,478.65	34892.98	48,857.63	15,931.72
Advances	867,578.89	756,719.45	631914.15	542503.20	416768.20
Investments	312,197.61	295,600.57	285,790.07	275953.96	189501.27
Gross Block	14,792.33	13,189.28	11,831.63	10403.06	8988.35
Accumulated Depreciation	9,658.46	8,757.33	7,713.90	6828.65	5849.13
Net Block	5,133.87	4,431.95	4,117.73	3574.41	3139.22
Capital Work In Progress	332.68	332.23	295.18	263.44	234.26
Other Assets	53,113.02	43,777.85	35,112.76	37733.27	44417.03
Total Assets	1,335,519.24	1,223,736.20	1,053,413.74	964,432.08	721,526.32

Contingent Liabilities	698,064.74	585,294.50	429,917.37	614,603.47	736,087.59
Bills for collection	201,500.44	205,092.29	166,449.04	152,964.06	93,652.89
Book Value (Rs)	1,251.05	1,023.40	1,038.76	912.73	776.48

Standalone Profit & Loss account	----- in Rs. Cr. -----
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	2022	2021	2020	2019	2018
	12 mths	12 mths	12 mths	12 mths	12 mths
Income					
Interest Earned	106,521.45	81,394.36	70,993.92	63,788.43	48,950.31
Other Income	14,351.45	14,935.09	14,968.15	12,691.35	9,398.43
Total Income	120,872.90	96,329.45	85,962.07	76,479.78	58,348.74
Expenditure					
Interest expended	63,230.37	48,867.96	47,322.48	42,915.29	31,929.08
Employee Cost	16,974.04	14,480.17	12,754.65	9,747.31	7,785.87
Selling and Admin Expenses	15,625.18	12,141.19	7,898.23	5,122.06	4,165.94
Depreciation	1,007.17	990.50	932.66	763.14	679.98
Miscellaneous Expenses	12,350.13	12,479.30	7,888.00	8,810.75	7,058.75
Preoperative Exp Capitalized	0.00	0.00	0.00	0.00	0.00
Operating Expenses	37,563.09	31,430.88	24,941.01	18,123.66	14,609.55
Provisions & Contingencies	8,393.43	8,660.28	4,532.53	6,319.60	5,080.99
Total Expenses	109,186.89	88,959.12	76,796.02	67,358.55	51,619.62
	2022	2021	2020	2019	2018
	12 mths	12 mths	12 mths	12 mths	12 mths
Net Profit for the Year	11,686.01	7,370.35	9,166.05	9,121.23	6,729.12
Extraordinary Items	21.28	0.00	0.00	0.00	0.00
Profit brought forward	6.05	0.34	0.34	0.34	0.34
Total	11,713.34	7,370.69	9,166.39	9,121.57	6,729.46
Preference Dividend	0.00	0.00	0.00	0.00	0.00
Equity Dividend	2,348.66	1,905.00	1,904.65	1,841.15	1,357.66
Corporate Dividend Tax	296.49	246.52	236.76	248.03	165.87
Per share data (annualized)					
Earnings Per Share (Rs)	174.15	116.07	144.37	143.67	106.56
Equity Dividend (%)	350.00	300.00	300.00	290.00	215.00
Book Value (Rs)	1,251.05	1,023.40	1,038.76	912.73	776.48
Appropriations					

Transfer to Statutory Reserves	3,531.35	2,488.96	6,495.14	6,725.15	5,205.69
Transfer to Other Reserves	5,536.50	2,729.87	529.50	306.90	-0.10
Proposed Dividend/Transfer to Govt	2,645.15	2,151.52	2,141.41	2,089.18	1,523.53
Balance c/f to Balance Sheet	0.34	0.34	0.34	0.34	0.34
Total	11,713.34	7,370.69	9,166.39	9,121.57	6,729.46

ANNEXURE II- RESEARCH ARTICLE

A STUDY ON FINANCIAL STABILITY OF RUBBER MANUFACTURING INDUSTRY

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I.ABSTRACT

This project deals with the study on Financial Stability. The main ideal of this design is to dissect the Financial Stability of the company and the liquidity position of the company for each time. Secondary objects are to find out the effectiveness of the company using fiscal rates like profitability rates, development rate & solvency rate of the company and to apply the affiliated rates in order to dissect the Financial Stability of the company and to suggest suitable suggestions. For assaying the Financial Stability, secondary data similar as balance distance, the fiscal statements of the company are collected and the tools have also been applied. Eventually, from the analysis and interpretation of the study, it has been concluded about the company performance as it's perfecting by adding its capital. rates are dynamic for every time. The study suggests that the company needs to ameliorate its capital position opinions to maximize its earnings for the forth coming times.

II.INTRODUCTION

Every business concern wants to be aware of the numerous financial factors in order to make wise decisions. A financial statement's primary goal is to help the company reach its goals. An organized set of facts based on accounting principles and standards used to disclose financial information is referred to as a financial statement. By correctly establishing the relationship between the items on the balance sheet and profit and loss account, financial stability analysis is the process of determining the firm's financial strengths and weaknesses. Financial Stability analysis is useful for both short- and long-term forecasting, and it can be used to identify growth.

III. INDUSTRY PROFILE

Although the Indian rubber industry has numerous strengths, policymakers must provide more assistance to the sector to help it overcome obstacles including free imports of rubber products, high financing rates that make it difficult to switch to high-tech equipment, a low rate of value addition, etc. With a massive base of 720 million consumers spread throughout 627,000 communities, India is a thriving market. India is the world's fourth-largest market for tyres. India's passenger automobile market has the fastest growth rate, at 7.64%. Till 2020, India's GDP is expected to expand by 8–9%, according to several organisations. The expansion of the industrial sector will be the primary driver of GDP growth. Indians would consume five times as many cars and three times as much crude oil thanks to a per capita GDP that will have quadrupled by 2020. The primary factors driving the growth of the Indian automobile industry are the country's planned economic growth, expansion of the road network, rising per capita income, competitive pricing, new model introductions, low car penetration in India, etc. However, a number of obstacles, including high inflation, rising loan rates, rising gasoline prices, a lack of parking spaces, a lack of suitable roads, etc., are impeding the industry's expansion.

IV.REVIEW OF LITERATURE

1. Rao (1993) discussed in his research about 'Financial appraisal of Indian Automotive Tyre Industry'. Main objective of study was intended to probe into the financial condition-financial strength and weakness-of the Indian tyre industry. He has been measured and evaluates the financial performance through inter-company and inter-sector analysis for the period of 1981-1988.
2. Agarwal, Nidhi (2015) The study focus on the comparative financial performance of Maruti Suzuki and Tata motors ltd. The financial data and information required for the study are drawn from the various annual reports of companies. The liquidity and

leverage analysis of both the firms are done. To analyze the leverage position four ratios are considered namely, capital gearing, debt-equity, total debt and proprietary ratio.

3. Dhankar (1998) has studied about the criteria of performance measurement for business enterprises in India study of public sector undertakings. The author gives a new model for measuring the performance of a business enterprise in India, wherein, the basis is to compare its actual rate of return with its expected risk adjusted rate of return.
4. D'Souza & Megginson (1999) have studied concerning the financial and operating performance of privatized firms during the 1990s. They made comparison about the pre and post privatization financial and operating performance of 85 companies from 28 industrialized countries that were 32 privatized through public share offerings for the period from 1990 to 1996.
5. Raghunathan & Das (1999) have discussed in their paper regarding corporate performance of post-Liberalization. They analyzed the performance of Indian Manufacturing sector in the last 8 years since liberalization on the parameters of profitability, liquidity, leverage and solvency. They also observed that the solvency and profitability ratios were encouraging till 1996 they have been gradually diminishing after that and this problem gets more pronounced when the EVA was calculated which showed that the Indian Manufacturing sector has destroyed wealth, while the MNCs have generated wealth for their shareholders
6. Nitsure & Joseph (1999) have studied about, "Liberalization and the Behaviour of Indian Industry (A Corporate - Sector Analysis based on Capacity Utilization), and examined the impact of economic reform on productive capacity creation and utilization across various industries in the nineties. They analyzed the determinants of capacity use such as credit flows, import liberalization, fiscal consolidation and demand conditions, using panel 35 data for 802 firms for the period 1993-98 to suggest an optimum combination of policies that is critical for realizing the unused capacity.

V.OBJECTIVE OF THE STUDY

To analyse the company's financial standing during the past five years.

1. To determine the company's efficiency utilizing financial ratios such as profitability ratios, turnover ratios, and solvency ratios.
2. To find out the company's liquidity position.
3. To investigate a company's performance via comparative analysis.
4. To suggest options for improving the company's financial stability.

VI.NEED OF THE STUDY

Since money is thought of as the lifeblood of businesses, it is crucial to examine the capital structure of the organization. The study is required for a more thorough investigation of the company's financial stability. The management may also require the use of the relevant ratios to more thoroughly assess its liquidity and profitability. In order to determine the ideal Return on Asset and the relationship between Return on Investment and Return on Asset, this study is required.

VII.SCOPE OF THE STUDY

The initiative is related to data that has been available for the company for the last five years. The investigation using ratios, comparison, and common size study led to the conclusions. The analysis clarifies the company's financial situation throughout the previous five years. It aids the business in differentiating itself from rival businesses. The study's analysis reveals the benefits and drawbacks of the business's financial situation. Through simple interpretation and conclusions for research, it helps the reader comprehend the numerous financial facets of a corporation

VIII.RESEARCH METHODOLOGY

The research challenge can be approached methodically using research methodology. You may think of it as a branch of science that studies how scientific research is conducted. The many approaches used by the researcher in investigating his research problem are discussed in this paper, along with the reasoning behind them.

RESEARCH DESIGN: The suggested research has a descriptive focus. The requirement for research design stems from the fact that it helps the numerous research operations run smoothly and efficiently. The following criteria are typically taken into account while designing a research study for a specific issue.

RESEARCH TOOL: Ratio analysis, trend analysis, Comparative balance sheet, Common-size balance sheet

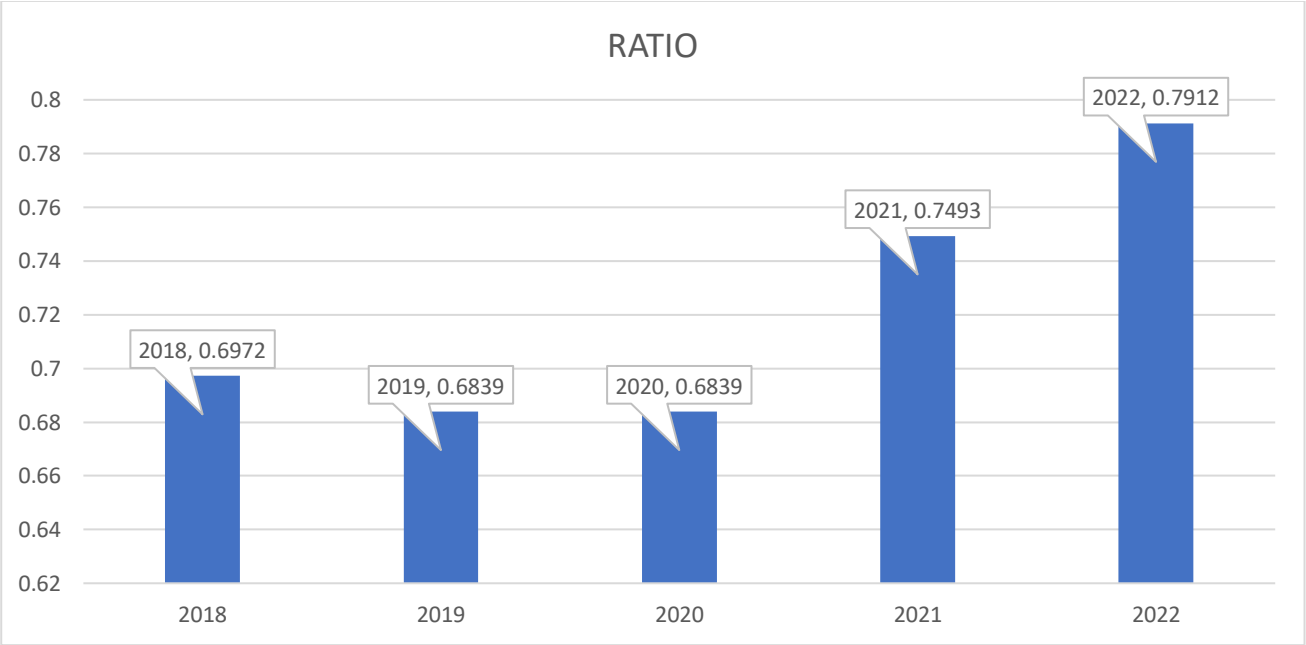
IX.DATA ANALYSIS AND FINDING

TABLE: PROPRIETARY RATIO

Year	Shareholder fund	Total Asset	Ratio (Times)
2018	252,254,569	361,790,818	0.69720
2019	263,152,787	385,874,591	0.68196
2020	285,972,116	419,984,704	0.68091
2021	306,850,240	409,481,643	0.74936
2022	321,428,000	406,229,000	0.79124

SOURCE: PRIMARY DATA

CHART: SHOWING PROPRIETARY RATIO



INFERENCE:

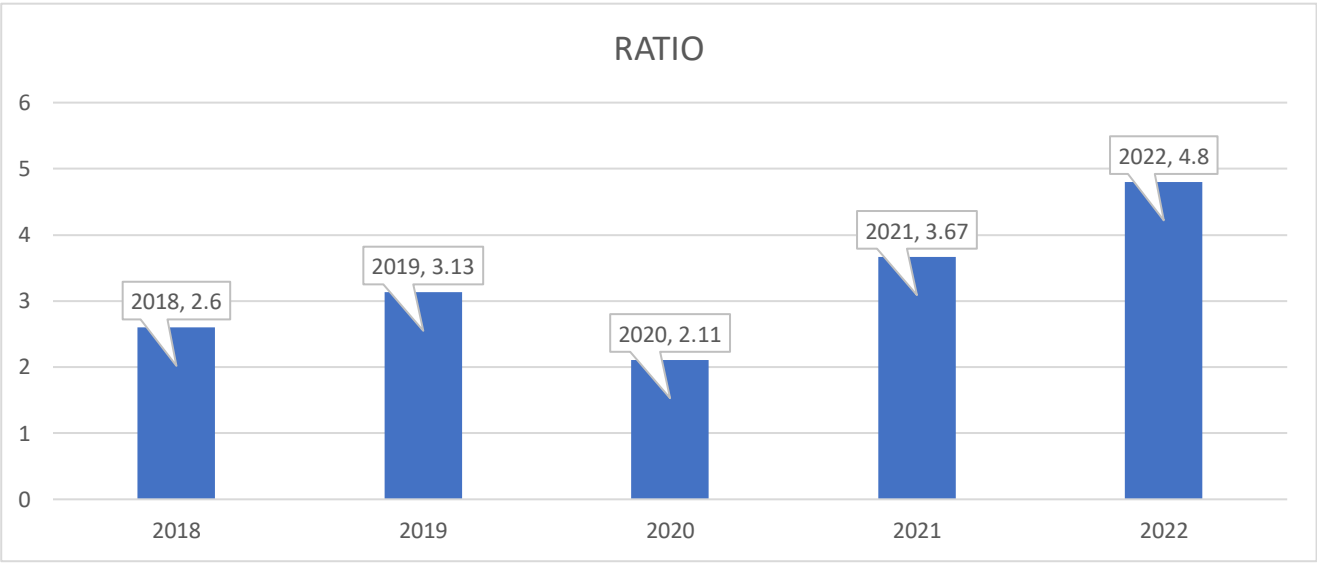
It shows that proprietary ratio was high in the year 2018 with 0.69720 and low in the year 2020 with 0.68091. Thus, it can be said that the company is maintaining the long-term solvency. The current year (2022) and previous year (20201) proprietary ratio is found to be 0.79124 and 0.74936 it is in a increasing position.

TABLE: CURRENT RATIO

Year	Current Asset	Current Liability	Current Ratio
2018	166,237,699	64,298,089	2.6
2019	190,497,266	60,784,327	3.13
2020	235,345,915	111,118,742	2.11
2021	225,330,801	61,337,715	3.67
2022	224,404,000	51,737,000	4.8

SOURCE: PRIMARY DATA

CHART: SHOWING CURRENT RATIO



INFERNCE:

It shows that current ratio was high in the year 2022 with 4.8 and low in the year 2018 with 2.6. The current year (2022) current ratio is found to be the highest (4.8) due to the decrease in the liabilities.

X.SUGGESTION:

1. Company may look into the measures how to reduce the loans and advances in the coming periods.
2. Company may look into maintain the current assets and current liabilities. Current liabilities may reduce coming periods.
3. It is suggested to the company can strongly focus on cost reduction strategy that will make a company more profitability.

XI.CONCLUSION:

The efficient and smooth functioning of all the activities of the company depends upon the financial stability of the company. The financial stability analysis thus is a forward-looking exercise as it is helpful in future financial planning decision making. It is determined to analysis forecasting future financial position. Through financial statement analysis, the present position and operating efficiency of the firm as a whole and its different departments can be identified. Further, the reasons for change in the profitability financial position of the firm can be found and necessary measures can be taken.

Financial stability can improve the financial strength of company. The company's liquidity position has to increase and it will solve future problem. The company is maintaining the reserves and surplus better so it can face financial stress in the future. To proper maintain of financial stability to achieve the company goal

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