

**A STUDY ON FINANCIAL PERFORMANCE ANALYSIS OF HMT LIMITED
BANGALORE**

Submitted in partial fulfilment of the requirements for the award of

MASTER OF BUSINESS ADMINISTRATION

by

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Register No.42410178



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

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DECEMBER 2023



SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY
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CATEGORY - 1 UNIVERSITY BY UGC

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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **NANDHINI P 42410178** who carried out the project entitled “**A STUDY ON FINANCIAL PERFORMANCE ANALYSIS OF HMT LIMITED BANGALORE**” under my supervision from October 2023 to December 2023.

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Internal guide

External Guide

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Dean – School of Management Studies

Submitted for Viva voce Examination held on _____



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DECLARATION

I **Nandhini P (42410178)** hereby declare that the Project Report entitled “**A STUDY ON FINANCIAL PERFORMANCE ANALYSIS AT HMT LIMITED BANGALORE**” done by me under the guidance of **DR. Dr. Yamuna D** is submitted in partial fulfilment of the requirements for the award of Master of Business Administration degree.

DATE:

PLACE:

Nandhini P



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

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

Nandhini P

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ABSTRACT

The project program is an important part of the educational curriculum. A project is a pre- professional experience that provides an opportunity to gain relevant knowledge and skills prior to starting out in a particular career field. Project exposes students to the problems and challenges faced by organizations in their day-to-day business. It helps them to understand the business operations being performed by the companies. The students can get a more clear understanding of the theoretical knowledge gained through education when they observe these concepts being practiced by individuals in the organization. This project was taken up as a part of the requirement of Master of Business Administration course per the requirements of VTU.

The project was undertaken at HMT (I) Ltd. Bangalore. The objective of in plant training is to enable a better understanding of working in the organization and to develop a comparative approach between the theory and practical application.

The study has been undertaken on the topic of “A study on Financial Performance Analysis of HMT (I) Ltd.” the main objective of the study is to analyze the financial performance of the company.

The project report covers company profile, industry profile, theoretical background of the study, data analysis and interpretation, and provides recommendations based on the findings and the conclusion. It also contains the financial statements of the company.

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CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION:

Project report is a good opportunity to learn, gain experience and make decisions.

When my work is a real job, it helps me to feel and find myself from a different perspective. It also helps to control and develop my attitudes and behaviors to deal with different people and situations

Trainee helps identify waterlines and strengths. Another reason why I decide to follow the project report is to prepare for a more profitable working environment and situation. Working life is very hectic and challenging, it requires large dedication and skills that are terrible, that I have learned and trained and ready

Generally in Project report Students will learn the working condition and problem areas in their interested career. Some students find permanent, paid employment with the organizations where they done their project report. This can help the employer when experienced interns need little or less training when they start employment in their organization.

The main objective of financial performance analysis is to using data about past performance of the firm to predict how it will do its business in future. And another important objective financial performance analysis is to find problem areas of the company.

Importance of project:

- It helps to students to work in their interested field.
- It helps students to apply their theoretical knowledge to a real world and to get valuable experience which make them stronger candidates for future work

- It is one of the good ways to try a career which we interested in.

Benefits of project:

- To enhance our skills
- To gain the leadership skills
- To get to know a community
- To increase in the social-relationship skills
- Provides help to career development
- Helps in gaining experience and self-confidence
- Helps in the development of the personality.

Financial Performance Analysis.

“A Study on Financial Performance Analysis Of HMT (I) Ltd.” conducted on behalf of HMT

(I) Ltd will be done in two parts. In Part A the report will be on company profile, Industry Profile, financial status and studying the various departments of the company Part B will cover the concepts on Analysis on Financial Performance, Analysis and interpretation of information, findings, suggestions and conclusion

1.2 INDUSTRY PROFILE

The premise of foreign commerce and money-making action are the primeval perception of commercial conclusion. Exporting is probably the dominant happening inside the universal market, and the macroeconomic risks and advantages of exporting are frequently discussed by economists and others. The initially pick out the benefits of universal traffic. The moment become aware of the chance of particular intestine industries may be hurt by offshore rivalry.

After Globalization international trade has gained lot of importance and the company has realized the importance of export promotion and is taking step to improve the international trading transactions. Government with a view to improve the marketing infrastructure has established export – trading houses for the promotions of exports. The organization was established with a motive for being an international agent for wide range of the organizational products and also for other Indian products

The high growth of export was because of the following reasons:

- Increase in price competitiveness of Indian exports due to increase in world price.
- There was a boom in agro-based exports such as oil cakes, marine products and sugar.
- Increase in the export of projects in the Middle Eastern countries.
- New markets emerged in oil producing countries with boom in oil prices.
- Increase in the quantum index of exports.

Between 1980 and 1991 there was a decline of exports due to fall in dollar values, slowdown of World Trade, Gulf Crises, Political upheavals in Eastern Europe, Movement of Exchange rates, Law and order and order problems, and so on.

Trading Houses (TH) are self-governing organizations operated by international or global trade exports. They are the business mediator of the producer & the unfamiliar purchaser or customer of cargo and the services and products. Trading House Exports import and engage in third country trading of equipment and services and products manufactured by different organizations and they act as:

- Export supervision companies whichever handle part of the progenitor companies' exports, and may take part in counter-trade, if necessary.
- Purchasing agencies whatever deliver equipment and services and products to external companies.
- Export agents gamble in favor of an alternate birthday celebration for

commission.

- International trader sells products to their very own account.

1.2 COMPANY PROFILE

Company name : HMT (INTERNATIONAL) LTD Established 1974

Registered office : HMT Bhavan, 59, Bellary Road, Bangalore , 560032

Certification : An (ISO 9001- 2000) Company

Website: [www. Hmt \(I\) India.com](http://www.Hmt(I)India.com)

HMT (I) Ltd. maintain within the past of 1974 and its officer part is found in Bengaluru, Karnataka. HMT (I) is actually a purely had supplementary of HMT Limited and it is a multi- product, multi- location Engineering Giant and out-of-date charity secure & coherent get right of entry to decent robotics. It's considered one of the India's leading transport houses, it saled quite a lot of services and products beginning at agronomical direct to manufacturing and IT solutions amidst vocational skill in Machine Tools mechanization.

HMT (I) is usually a Mini Ratna Company, and Government of India Undertaking, and an ISO 9001:2015.It swing India's dominant ship houses, markets quite a lot of services and products beginning at arboricultural cultivate to architecture. Quality, Reliability and Commitment are the essential principles of labor and the business habit at HMT(I). At present, HMT(I) has develop into foreign duct to get a big range of Indian services and products.

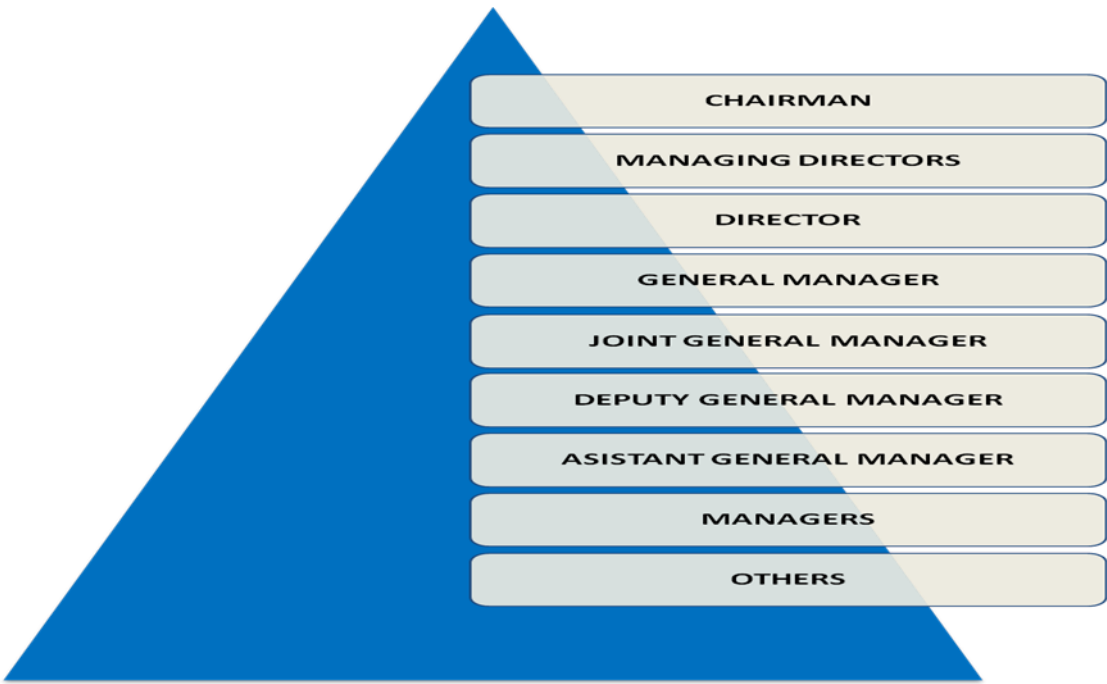
The authorized shares money of one's company is Rs.800 lakhs of 80 lakhs fair-mindedness shares of Rs.72 lakhs. HMT Ltd has fascinated the amply compensated up shares. HMT (I) even failed to be offeringed any shares to the general public for community subscription.

HMT (I) has provide greater than 70 countries and gone 12500 machines with all the excellent help line. HMT (I) at the basis of commissioning on guard presents exhaustive bottle of consultancy of high-tech and architecture products and services. Its roadway covers esteemed tasks in Kenya, Algeria, UAE, Mauritius, and Maldives. It has further system including putative Associates in a variety of

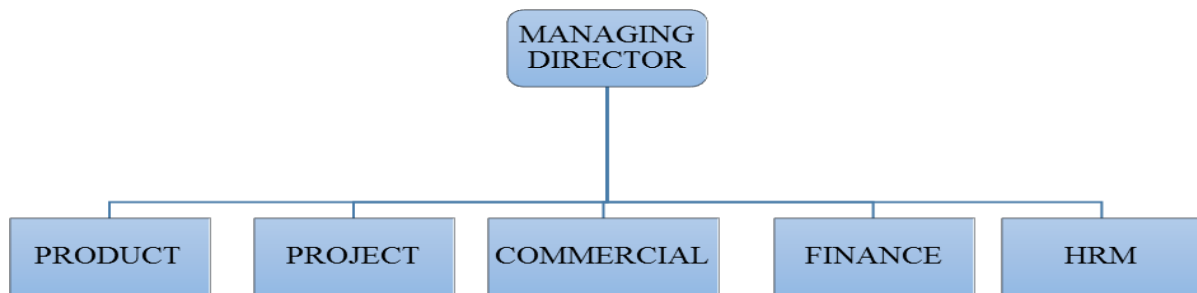
fields to be offering mechanization as recommended especially fields. HMT (I) has further present more than a few services and products on the side of cosmopolitan managements admire UNIDO, ADB, UNDP, AFDBP and World Bank.

ORGANIZATION STRUCTURE

In HMT (I) Ltd. Span of management is not fixed and it is not the same everywhere. It varies from department to department. In HMT (I) Ltd. Authority is decentralized i.e. dedicated to various levels of management. Decision making process is the important part of manager’s activities. In HMT (I) Ltd. The departments are at liberty to take decisions regarding day to day activities. It indicates the number of subordinates who report directly to a manager. Determination of appropriate span of management is very important



USINESS GROUPS & DEPARTMENTS IN HMT (I) LIMITED



PROMOTERS

Shri S. Girish Kumar : Chairman & Director (from 01-12-2013)

Shri Vishvajit Sahay : Joint secretary

VISION AND MISSION STATEMENT

VISION

To be the major vehicle for the India's globalization efforts by supply of competitive products & services to global standards.

MISSION

1. To satisfy the interest of all stakeholders through plan growth in accordance with roadmap for growth.
2. Be a market driven company and constantly go all out to make sure Stakeholders meaning and happiness by perusing greatness.
3. Provide share infrastructure and services for business development, Merchandising and customer service to HMT's subsidiaries.
4. Market globally acclaimed products and services from originating at high Quality awake Indian and distant places companies.
5. As a great corporate citizen, be a spirited, domestic and efficient Representative of one's communities and atmosphere wherein we operate.

AREAS OF OPERATIONS

HMT (I) has an off chain to 38 countries comprising of Africa, Egypt, Djibouti, Ethiopia, Morocco, Kenya, Nigeria, Zimbabwe, and Europe, UK, Czech Republic, France, Russia, Germany, alternative west European countries etc.

Supplies its products & products and services up 67 countries that in the main consist of audience countries:- Chile, Columbia, Ecuador, Canada, Haiti, Mexico, USA, Paraguay, USA, Venezuela Europe—Austria, Belarus, Belgium, Italy, Denmark, France, Germany, Poland, Netherlands, Romania, Spain, Sweden, Russia, Slovenia, Switzerland, Ukraine, Australia, New Zealand, Tonga, Figgi.

INFRASTRUCTURE FACILITIES.

- 1 Branches are cogent shelter an square of 400000-50000 sq hoof of margin engaged time or neighborhood, that are well-equipped in regards to the conveniences & implement requirement. HMT (I) has to provide cabins for higher official & cabinets for the subordinateexecutive & team leads.
- 2 The firm need present place of business equipment's just like printers, computers,Xerox Machines, commode for storing the stationeries & files of the company.
- 3 This room is facilitated plus steep securities & spaces prefer waiting lounges for thefolks who receive their manager & intimate purposes.
- 4 The company is providing ESI, PF, Remuneration, promotion and incentives for theirworkers for creating better working conditions.
- 5 HMT (I) has to provide cabins for higher official & cabinets for the subordinateexecutive & team leads.
- 6 The firm need present place of business equipment's just like printers, computers,Xerox Machines, commode for storing the stationeries & files of the company.
- 7 This room is facilitated plus steep securities & spaces prefer waiting lounges for thefolks who receive their manager & intimate purposes.

- 8 The company is providing ESI, PF, Remuneration, promotion and incentives for their workers for creating better working conditions

1.4 STATEMENT OF THE PROBLEM:

Analysis of Financial performance is mainly to evaluate the performance of company. And differentiation is taken to find out the financial performance of the company using different tools like trend analysis and ratio analysis

1.5 NEED FOR THE STUDY:

The study of intra firm helps the company to know the financial position and solvency of both competitors and company itself which assist the survival and growth of the business. This study helps in identify the competitive strength of company among its competitors. The study helps the company to know the strength and weaknesses of similar business unit which provide platform to get success in the market and most importantly this study helps in making necessary changes in the firms operations to improve its performance and to get financial benefits.

1.6 OBJECTIVES OF THE STUDY:

- To study the analysis of financial performance of HMT (I) Ltd, Bangalore.
- To evaluate the operating efficiency of the company.
- To provide suggestion for financing the company.
- To know the financial status of the firm.

1.7 SCOPE OF THE STUDY:

- The present study helps to researcher put the theoretical concepts into practice and this project helps the several campaigns to know how the Exporting & Logistics actions towards Product and Service with special reference to HMT (I) Ltd, Bengaluru.
- This study has been involved in evaluating the financial performance of HMT (I) Ltd with other company by using annual financial reports.

1.8 LIMITATIONS OF THE STUDY:

- The research analysis depended on the information provided by the company
- The available information is limited because they are confidential to the company.
- The study is limited to a limited number of samples.
- The review is constrained to the execution of the organization for restricted period.
- Time accessible for the review was imperative.
- This review is not generally relevant.

1.9 SWOT ANALYSIS

STRENGTHS

- ISO 9001 standard certification.
- Wide experience in exports since last 3 decades.
- Executed major Agricultural Development Project
- Good mark icon & immensely putative popular stratum entity.
- ISO 9001 usual certification.
- Backed by high-tech and proficient workers.
- Wide drift of goods at commerce level.
- Technically qualified and experienced team for execution of projects.
- Wide range of products at industry level.
- Well-Established manufacturing unit.
- Backed by the manufacturing expertise of the holding company and its subsidiary products such as machine tools, tractor and watches.
- Wide experience in exports since last 3 decades.
- Exported more than 18500 machine tools, 2000 tractors and 14lakh watches.
- Proven experience in execution of turnkey projects in the international market.
- Faster after-sales service and spare supply.

- Executed major Agricultural Development Project

WEAKNESSES

- Delay in implementing new systems.
- It is facing financial crisis and has been incurring losses since 1993.
- Delay in implementing new systems.
- It is facing financial crisis and has been incurring losses since 1993.
- Delay in decision making process.
- Higher interest rates in relation to developed countries making HMT product less competitive.
- Poor process capability, low volumes of production.
- No focus on exports and global markets.

OPPORTUNITIES

- New opportunities in engineering and services exports have opened up through globalization.
- Modernization of railways and plants.
- There is often a enormous convenience in Africa for art telecommunications and music estimated merchandises as choice to chic robotics produce originating at westernly countries.
- HMT (I) has principally targeting RND for attracting the customers.
- New opportunities in planning and services and products transship leave spread out straight globalization.
- Modernization of railways and plants.
- Vast excuse in Africa for art machinery and form estimated freight as possible choices to chic automation merchandise beginning at westernmost countries.
- Increasing strain on tillage in African countries disclose marketplace for ship of engine, metallurgy and technological services and products .(e.g. Tractors)

THREATS

- Govt. Rules and Regulations.
- The group have to encounter stringent match beginning at the two global in addition intestine market
- The firm is hanging in modern look robotics in comparison to MNC players.
- Non-competitive prices and release slippage pose a risk to employ client abroad.
- Big machines and products and that rule creating a challenging and dull process.

FUTURE GROWTH AND PROSPECT

1. The company has to give number of chance to utilize short and medium term business &also embarked on market development plan for the future.
2. HMT (I) Ltd has adopted a strategic approach, focused on SECTORS.
3. one day HMT(I) Ltd will be major exporter of engineering products, Projects & services
4. The company is planning to prepare different type of product and produce to the market.
5. Reduce the price of the machine tools and give discount for the products.

1.10 FINANCIAL STATEMENTS:

Balance sheet

in lakhs

PARTICULARS	As at 31-03-17	As at 31-03-16	As at 31-03- 2015	As at 31-03-14	As at 31- 03-2013
Shareholders fund					
Share capital	72	72	72	72	72
Reserves and surplus	3160.8	3084.41	3052.83	3031.93	3029.99
NON-CURRENT					

LIABILITIES					
Deferred tax liabilities(Net)	85.66	118.77	121.38	119.15	117.02
Long-term provisions	13.09	85.29	70.48	67.16	40.7
CURRENT LIABILITY					
Trade payables	911.49	672.02	830.88	356.06	495.98
Other current liabilities	1068.05	601.14	925.33	534.93	658.7
Short-term provisions	77.98	127.02	187.62	225.42	822.64
TOTAL	5389.09	4760.65	5260.52	4406.65	5237.03
ASSETS					
NON-CURRENT ASSETS					
Fixed assets					
Tangible assets (Net)	499.87	508.3	521.44	548.93	566.28
Other Non-Current Assets	-	-	-	-	-
CURRENT ASSETS					
Inventories	-	-	3.53	16.01	1.81
Trade receivables	1397.4	917.23	1045.3	1123.9	1156
Cash and cash equivalents	1578.15	2446.89	2584.62	2050.19	2454.8
Short-term loans and advances	1271.24	755.41	969.47	667.62	1058.14

Less: Current Liabilities & Provisions	642.41	132.82	136.16		
Current Liabilities					
Provisions	-----	-----	-----	-----	-----
	-----	-----	-----	-----	-----
TOTAL	5389.09	4760.65	5260.52	4406.65	5237.03

CHAPTER 2

REVIEW OF LITERATURE

Financial Performance Analysis.

“A Study on Financial Performance Analysis of HMT (I) Ltd.” conducted on behalf of HMT (I) Ltd will be done in two parts. In Part A the report will be on company profile, Industry Profile, financial status and studying the various departments of the company Part B will cover the concepts on Analysis on Financial Performance, Analysis and interpretation of information, findings, suggestions and conclusion

2.1 LITERATURE REVIEW:

Dr. Aditya Sharma (2010) Bikaner and GOPI NATH MODI Research Scholar, Pacific University Udaipur: “A Comparative Study of Financial Performance of SBM Bank & Canara Bank Commerce”.

Financial Accounting 18(3), 207 Analysis of financial statement is very important and necessary. It helps in identifying the financial position with the help of past and current records. Financial statement analysis helps in making the future decision and strategies and now it become an important technique of credit appraisal.

Levitze, G. S., & Brooke Jr, P. (1985). Independent v/s system-affiliated hospitals: a comparative analysis of financial performance analysis, and productivity. This article analyzes differences in the cost, productivity, and financial performance between system-affiliated and independent hospitals. Data for the study were collected from the report of 1981 American Hospital Association (AHA) Annual Survey of Hospitals for the State of Iowa and included 94 non state or non-federal short-term hospitals without long- term care units.

R.Idhayajothi et al (2014) he did a study on financial performance or statement of Ashok Leyland Ltd in Chennai. He used ratio analysis and financial statement analysis method to the analysis of the statement for decision-making. This study helps in setting the frame work and to make the managerial conclusion, and interpretation of financial statements of the company.

Pai, vadivel & Kamala (1995) he has studied about the diversified firms and financial performance. The main objective of research was found the out the relationship between diversified companies and their financial worthiness.

Vijaykumar A (1996) in this research he has found the leverage, growth rate of sales, current ratio, operating expenses to sales to find the profitability of the sugar industry. And he has studied the short term liquidity position in the 28 sugar factories.

Dhankar (1998), he has studied about the financial performance in public sector undertakings in India. He has given the new model for measuring the performance of the firms i.e. compares its actual rate of return with expected risk adjusted rate of return.

Sengupta (1998), he has studied about the fertilizers industry in India. He checks the performance of the industry by analyzing of cost functions and cobb-douglas production.

D'Souza & megginson (1999), during 1990s has studied the financial & operating performance of private companies. Among 28 industries he has took 87 companies to make comparison about pre and post privatization financial & operating performance.

Wolfgang Aussenegg & Jelic (2002), he has studied about the operating performance of the 154 Polish and Czeech companies. They are fully or partially privatized between January 1990 and December 1998. They have revealed that privatized companies in the sample are did not increase the profit and they reduced their efficiency and output.

Kumar Gandhi and r. Peruma1(2017), The main purposes of the study is to investigate the financia1 performance of chosen banks like SBI, ICICI, IDFC, public and private sector bank. This article aims on investment decisions towards the mutual fund by using ratio and statistical tools of selected banks. Based on the resu1tthe performance of the banks work is higher and useful for the investor in investment decisions also the mutua1 fund company performance of the company

Priyanka Aggarwal (2014), this paper is to know whether the sustainable companies money making or not. Researchers contain conducted last year financial performance to know the profit or loss of the company. Secondary data are used to know the financial performance of the organisation in Indian context.

Results find there is no financial performance sustainability.

Saritha Bahi and Meenakshi Rani (2012), the paper explains the performance of open ended and growth equity schemes for 6 years of period. Monthly NAV is calculated to know the returns of the funds. To analyse the performance of these schemes the companies have taken sharpes, treynors and jensens because the results will be useful for investors.

Petia (2004), he discussed in study about performance of non-financial corporate sector since 1989. He used firm level data and evaluated its financial vulnerabilities. He has studied that promising trends in liquidity, profitability and leverages of the sector emerged in early 1990's.

Dr. Anurag B and Ms. Priyanka Tandon (2012) : A study on comparative analysis of SBM and ICICI bank. International journal of marketing, 27(1), 122

K.Geethanjali&Dr.S.Santhakumari (2019)- Investors perception towards online trading in Coimbatore .This research is a descriptive research study in which convenient sampling techniques is used. This survey is used to select the sample size ,validity and reliability of the questionnaire 391 samples are selected for the study.

Dr.U.Thasli, Ariff, M.Nandhini and T.Pavithra (2019)-An investors perception towards online trading . The study aims to identify the preference of the respondent towards online trading in Udumalpet Talak . In this study questionnaire was collected from 100investors.The findings were analyzed using scaling technique and simple percentage .

C.Navya ,CH.Deepthi (2019) –Investors attitude towards online trading .It aims that studying the investor's perception of online trading in share markets and helps to find out the present level of service provided by identifying the area which require attention for improving its services.

Dr.IqbalThonseHawaldar, Dr.Habeeb Ur Rahiman (2019) – Investors perception towards stock market. This study is to understand the different personal factors affecting their investment decision and the different factor influencing various categories of investment. Chisquare test was used as a tool to arrive at a decision regarding the association between two variables.

Dr. N. Sakthivel, A. Saravanakumar (2018)-Investors satisfaction on online share trading and technical problem faced by the investors. Investors satisfaction on online share trading based on brokerage houses were analyzed using percentage analysis. Primary data were collected from 620 respondents through questionnaire

Dr.PMohanraj, P Kowsalya (2018)- A Study on the investor perception on karvy stock brokering in Coimbatore district .This study helps to find out the service quality issues. primary data is collected from 100 respondents and it is 8 descriptive research design. Primary data is collected from convenience sampling techniques.

Dr.N.Sakthivel , A. Saravanakumar – Investor's preference towards online share trading at NSE .Primary data is collected from 620 respondents using questionnaire .It is suggested that all other brokerage house in the study should design and improve their services in terms of procedures,facilities and benefits .

V.Pavithra, Mr William Robert (2017) A study on customers perception towards online trading in retail brokerage Chennai.This study influence the stock and investmentstrategies in retail brokerage. In this primary data is collected from 100 respondents through questionnaire using convince sampling techniques.

Dr.krishnamohanvaddai and Dr.. MeruguPratima (2016)- Investors perception towards online trading in Visakhapatnam city . A questionnaire is collected from 400 investors and chi square is used to test the hypothesis .The study concludes that stock broking firms in order to enhance widespread use of online trading need to organize the short term training programmes .

Dr. Shankar T. Battase (2015)- A study on investors perception on online trading and depository operations with respect to India infolineLto ,this study highlights to know the procedure of online trading system and also helps to study the effectiveness and functions of depositors and effectiveness and functions of depositors and effectiveness of service provided by brokers.150 sample collected through survey method .

D.Kumari, Anitha ,Ramasamy G, Sandhya K (2013)-Investors perception towards online trading in Chennai .It helps to find out the present level of service Data collected from 113 respondents in Chennai . The study suggest that share

brokers should improve services of response from the dealer , putting the order without delay.

Walia N. and Kumar R (2012) – Investor perception on online trading and compare current usage of online trading .This study reveals that out of 100 investor 28 trade online and others do offline .The major findings of the study are the investors are more conservative they do not change brokers for trading.

Dr.Gagankukreja (2012)-Investors perception for stock market from national capital 9 region of India .This research study is descriptive in which sampling techniques is used. The study concluded that investor has huge scope for current earnings and said that this will be possible when trust, guidance,and regulations were exist steadily in the capital market among the brokers and investors.

N. Renuka (2007)-A Study on customer awareness towards online trading .The research examines the trends in the online trading .The present study attempts to find out the satisfaction level of online share traders. The primary data was collected from 60 respondents through a well structured questionnaire.

Delbarjafarpour (2006)- The impact of online trading on customer satisfaction This is exploratory research intends a gain a better understanding of the service quality dimension that affect customer satisfaction . convenience sampling techniques is used in this study..

Amal Yassin Almajali, Sameer Ahmed Alamro and Yahya Zakarea Al-Soub (2012) aimed at investigating the factors that mostly affect financial performance of Jordanian insurance companies. The data collected was analyzed by using a number of basic statistical techniques such as T-test and multiple regressions. He concludes that the insurance company should increase its concentration on borrowing and debt department and at the same time should be careful about this, that the insurance company should increase the current assets and decrease current liabilities. He extended his conclusion that the companies should not pay attention to age. The result suggested that the insurance companies should focus on employee's efficiency by choosing the employees who have completed higher educations. Shalini

H.S, preethi V.S (2012) examines the effectiveness of economic value added method over the other traditional methods which were used to analyze the financial position of an enterprise. For the study, primary data is of little relevance, data availability is quite easy and the quality of available data is very reliable because the data are from the published information such as annual reports of the company, primary data is collected for this purpose, standard literature was abundant for the study. Secondary data has been collected from the annual reports over the period of five years, from 2006 to 2010, which acts as a sample for the purpose of financial dialectics.

Jayarajasingh.J John Samuel (2012) the study is concerned with financial analysis to evaluate the financial performance of India Cements limited Sankari West. The evaluation of financial performance was for period of 10 years from 2000-01 to 2009-2010. In this study, the financial performance of the company is analyzed on variance fronts of profitability, liquidity and turnover. The study concludes that overall performance of the India cements Ltd., is good and the study will help for the company to identify the inefficiency area.

Suresh Vadde (2011) analyses the performance of non-government financial and investment companies (other than banking, insurance and chit-fund companies) during the year 2008-2009. The segment of financial and investment companies in the private corporate is highly skewed. For the study data are collected from various issues of RBI Bulletin regarding financial and investment companies. The study is based on the audited annual accounts of 1215 companies. It was observed from the consolidated result of the select 1211 non-government financial and investment companies that growth in income, both main and other income, decelerated during the year 2008-2009. Business of selected non-banking financial and investment companies expanded at a slower pace during 2008-09. Its share in total uses of funds decreased.

CHAPTER 3

RESEARCH METHODOLOGY

METHODOLOGY:

Methodology is indispensable because of its scientific fee through unless a proper method is followed, project well or study would not be complete successfully therefore to achieve at notable result. Methodology forms a significant part of it.

The aim of methodology is to present a clear idea of the procedure followed in this study. In the time of collecting the information adopt statistical tools and methods to study more effectively.

3.1 RESEARCH DESIGN:

Research is a study designed to depict the participants in an accurate way. More simply put, descriptive is all about describing people who take part in the study of research.

3.2 SOURCES OF DATA:

1. Primary data
2. Secondary data

1. Primary data:

It is the first hand experience data is collected by researcher through individual observation visiting product department officers.

- Observation
- Personal interview

2. Secondary data:

These are collected from reference books, library text material and other related books to study.

- Company brochures

- Company website
- Company Annual reports

3.3 PERIOD OF STUDY:

The period of the study is to determine that research process is carried out for a month.

3.4 AREA OF THE STUDY:

The targeted financial analysis in HMT PVT LIMITED BANGALURU.

3.5 ANALYTICAL TOOLS:

The evaluation and translation of economic account is useful to figure out and resolve the commercial opinion and results of action of one's firm. The succeeding tools are passed down for analyzing the fiscal status of your firm.

- Ratio Analysis
- Comparative balance sheet
- Common size balance sheet
- Trend analysis

Ratio analysis: The expression "Ratio analysis" indicates the analysis of the economic declarations in conjunction with the elucidations of budgetary after effects of a specific time of operations, inferred with the assistance of 'proportion'. Ratio analysis is utilized to decide the budgetary soundness of a business concern.

Proportion examination is a connected technique which backpedals to the start of accounting as a thought. Financial examination as a coherent device is used to finish the figuring in the scope of accounting. In order to evaluate the generous and existent worth of an undertaking, budgetary mechanical assembly comes advantageous, every now and again. Also, it similarly allows the associations to watch the execution spreading over a drawn out extend of time close by the obstructions and shortcomings. Cash related examination is an essential instrument for a sensible clarification of money related announcements. It helps the path toward finding, the nearness of any cross-sectional and time game plan linkages between various extents.

Current ratio:

$$\text{Current ratio} = \frac{\text{Current asset}}{\text{current liability}}$$

Acid-test or quick ratio or liquid ratio:

$$\text{Quick Ratio} = \frac{\text{current asset} - \text{inventory}}{\text{current liabilities}}$$

Inventory turnover:

$$\text{Inventory Turnover} = \frac{\text{Cost of goods sold}}{\text{Average inventory}}$$

Fixed-asset turnover:

$$\text{Fixed Asset Turnover} = \frac{\text{Net sales}}{\text{Average net fixed assets}}$$

Proprietary ratio:

$$\text{Proprietary ratio} = \frac{\text{Net worth}}{\text{Total assets}}$$

Fixed asset ratio:

$$\text{Fixed asset ratio} = \frac{\text{Net fixed asset}}{\text{long term funds}}$$

Total asset turnover:

$$\text{Total asset turnover ratio} = \frac{\text{Sales}}{\text{Total assets}}$$

avg total asset

Earnings per share:

$$\text{Earnings per shares} = \frac{\text{Net profit}}{\text{No of equity shares}}$$

Return on asset ratio:

$$\text{Return on asset ratio} = \frac{\text{Net profit}}{\text{Total assets}}$$

Working capital turnover ratio:

$$\text{Working capital turnover ratio} = \frac{\text{Net sales}}{\text{Working capital}}$$

Current assets to fixed assets:

$$\text{Current assets to fixed assets ratio} = \frac{\text{Current assets}}{\text{Fixed assets}}$$

Cash to working capital:

$$\text{Cash to working capital ratio} = \frac{\text{Cash}}{\text{Working capital}}$$

CHAPTER – 4

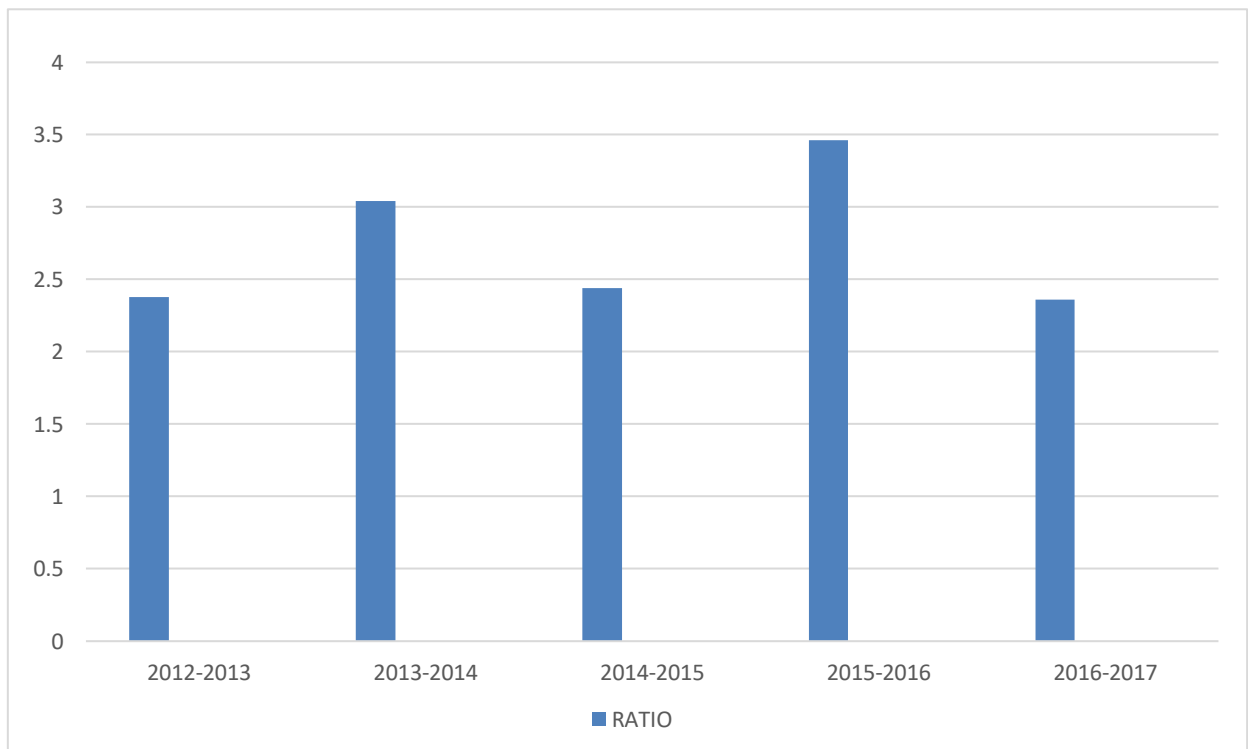
DATA ANALYSIS AND INTERPRETATION RATIO ANALYSIS

4.1 CURRENT RATIOS:

4.1.1 Table showing on current ratio

Year	Current Asset	Current Liability	Ratio
2012 – 2013	4889.2	2057.52	2.38
2013 – 2014	4252.35	1400.18	3.04
2014 – 2015	4739.08	1943.83	2.44
2015 – 2016	3857.72	1116.41	3.46
2016 – 2017	4670.75	1977.32	2.36

4.1.2 Graph showing on current ratio



Interpretation:

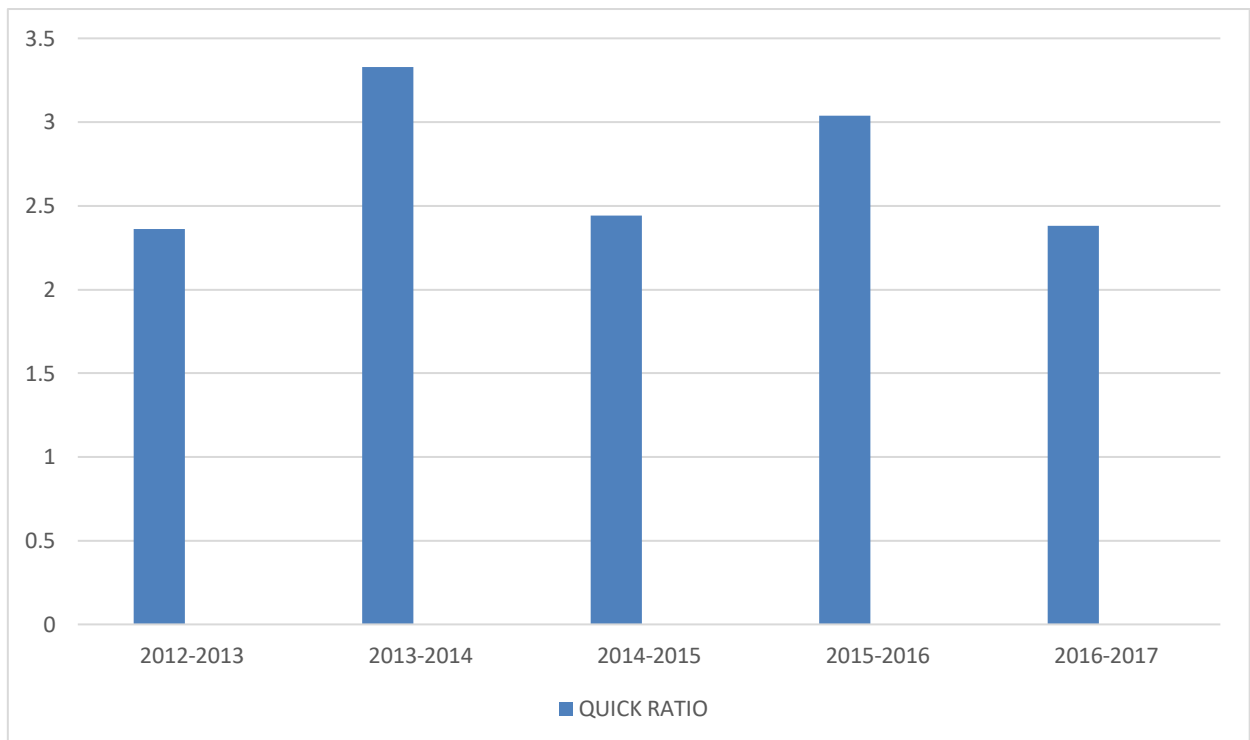
Current ratio of the company in year 2012-2013 was 2.38 when that compared to the year 2016-2017 is 2.36 it has decreased in its ratio, but continuous to last three years it has increased

4.2 QUICK RATIO:

4.2.1 Table showing on quick ratio

Year	Current asset - Inventory	Current liability	Ratio
2012 - 2013	4889.2 – Nil	2057.52	2.36
2013 - 2014	4252.35 – Nil	1400.18	3.44
2014 - 2015	4739.08 – 3.52	1943.83	2.44
2015 - 2016	3857.72 – 16.01	1116.41	3.04
2016 - 2017	4670.75 – 1.81	1977.32	2.38

4.2.2 Graph showing on Quick ratio



Interpretation:

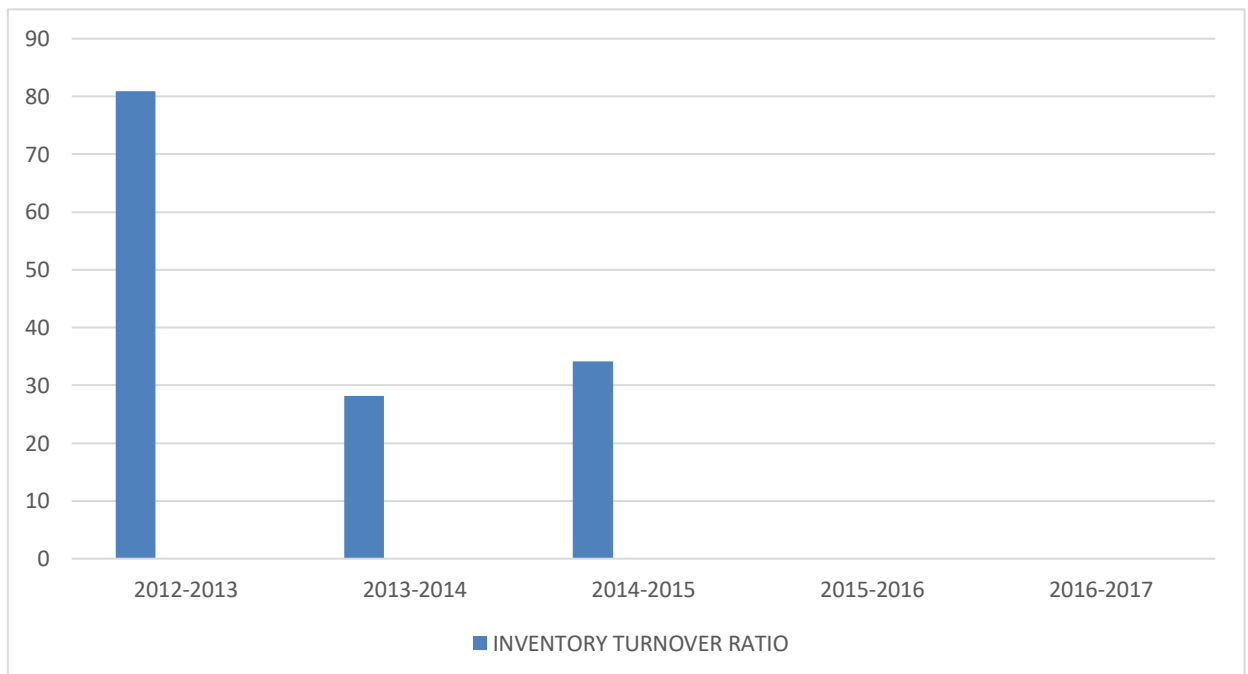
The company's high liquid ratio telling that the firm has liquidity and capability to make companies liquid liabilities. It is inferred that the firm has the capability to fit its current assets and current liabilities. Quick ratio of the year 2016- 2017 that is 2.38 showing downward but where as in the year 2015-2016 increased to 3.04, when we consider last two years 2016-2017 has decreased.

4.3 INVENTORY TURNOVER RATIO:

4.3.1 Table show Inventory turnover ratio

Year	Cost of goods sold	Avg Inventory	Ratio
2012 – 2013	340.88	4.21	80.96
2013 – 2014	250.76	8.91	28.14
2014 – 2015	334.01	9.77	34.18
2015 – 2016	-	-	NILL
2016 – 2017	-	-	NILL

4.3.2 Graph showing on Inventory turnover ratio



Interpretation:

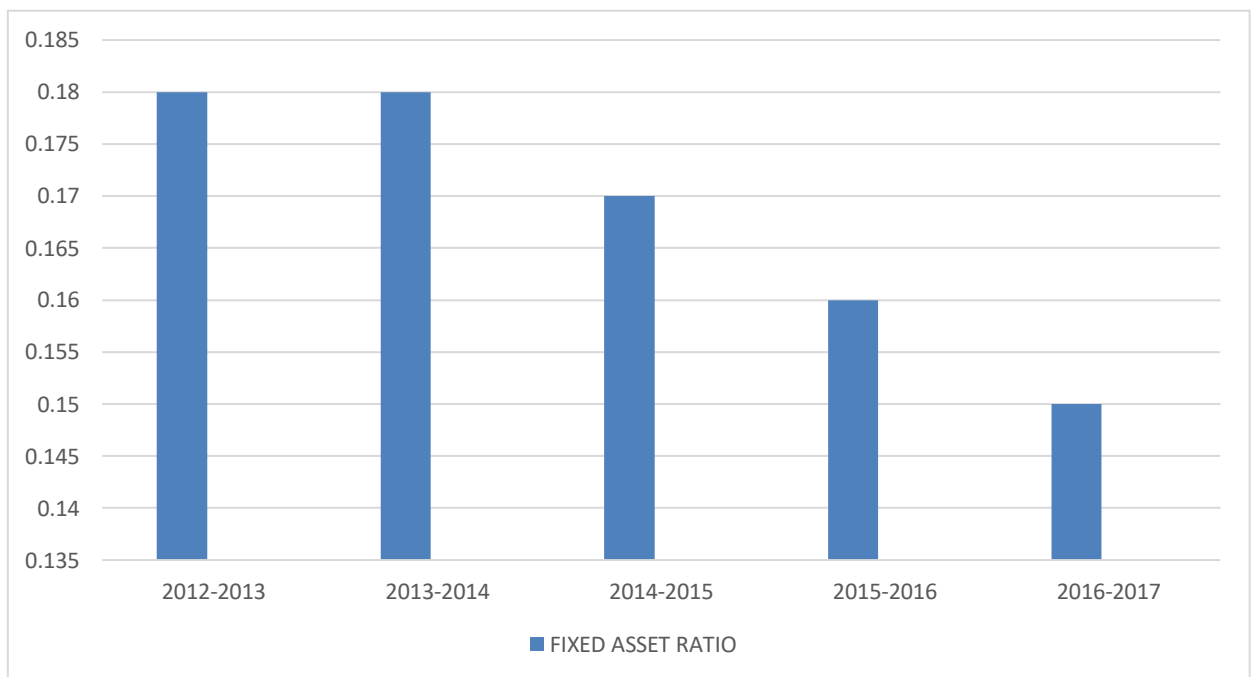
In the year 2012-2013 the inventory turnover ratio was 80.96 & in 2013-2014 there was 28.14 & in 2014-2015 it was 34.18 & in the year 2016 and 2017 there was no inventory. The above graph shows the company inventory turnover ratio should be decreased.

4.4 FIXED ASSET RATIO:

4.4.1 Table showing on fixed asset ratio

Year	Net Fixed asset	Long term funds	Ratio
2012 - 2013	566.28	3101.99	0.18
2013 - 2014	548.93	3103.93	0.18
2014 - 2015	521.44	3124.83	0.17
2015 - 2016	508.30	3156.41	0.16
2016 - 2017	499.87	3232.8	0.15

4.4.2 Graph showing on Fixed asset ratio



Interpretation:

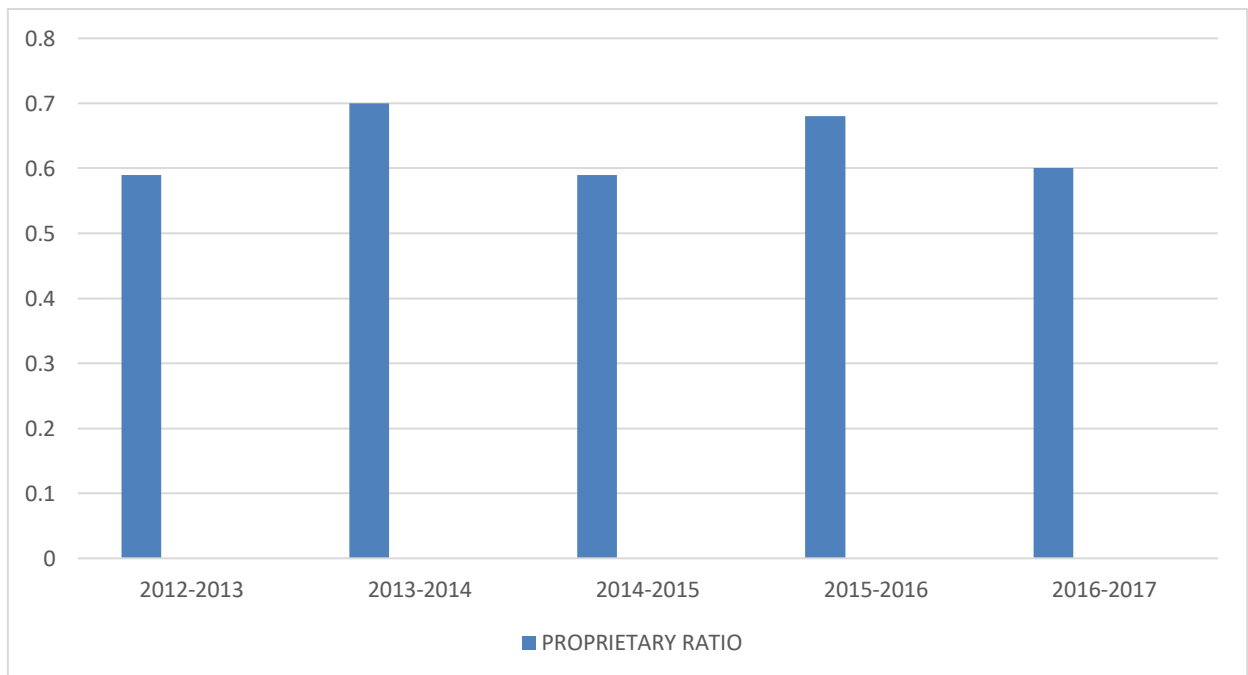
Fixed assets ratio of the company in year 2012-2013 was 0.18 when that compared to the year 2016-2017 is 0.15 . It has decreased in its ratio, continuous to last three years it has decreased.

4.5 PROPRIETARY RATIO:

4.5.1 Table showing on Proprietary ratio

Year	Net worth	Total asset	Ratio
2012 - 2013	3102	5237.03	0.59
2013 - 2014	3103.8	4406.65	0.70
2014 - 2015	3124.8	5260.52	0.59
2015 - 2016	3251.6	4760.65	0.68
2016 - 2017	3232.8	5389.09	0.60

4.5.2 Graph showing on Proprietary ratio



Interpretation:

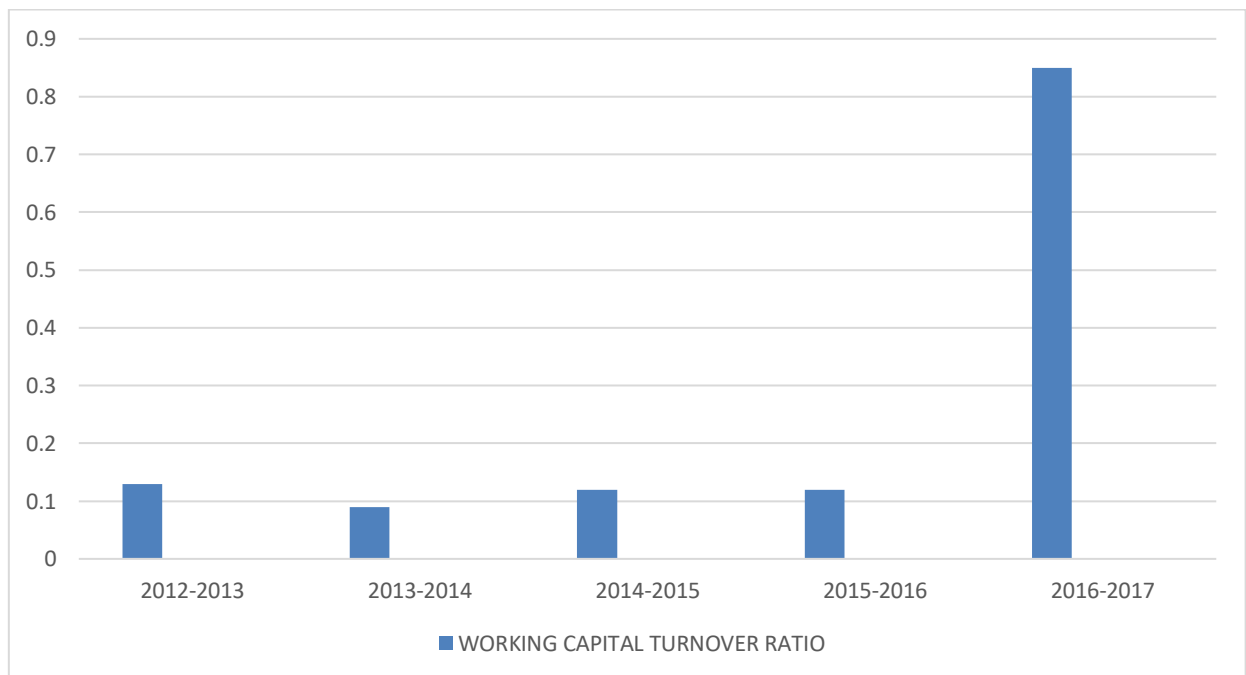
As per the above graph it is clear that the proprietary ratio of the company is less. This shows that the shareholders have less control over the assets of the company.

4.6 WORKING CAPITAL TURNOVER RATIO:

4.6.1 Table showing on working capital turnover ratio

Year	Net sales	Working capital	Rato
2012 – 2013	340.88	2741.31	0.13
2013 – 2014	250.76	2795.25	0.09
2014 – 2015	334.01	2852.17	0.12
2015 – 2016	339.07	2831.68	0.12
2016 – 2017	239.76	2831.68	0.85

4.6.2 Graph showing on working capital turnover ratio



Interpretation:

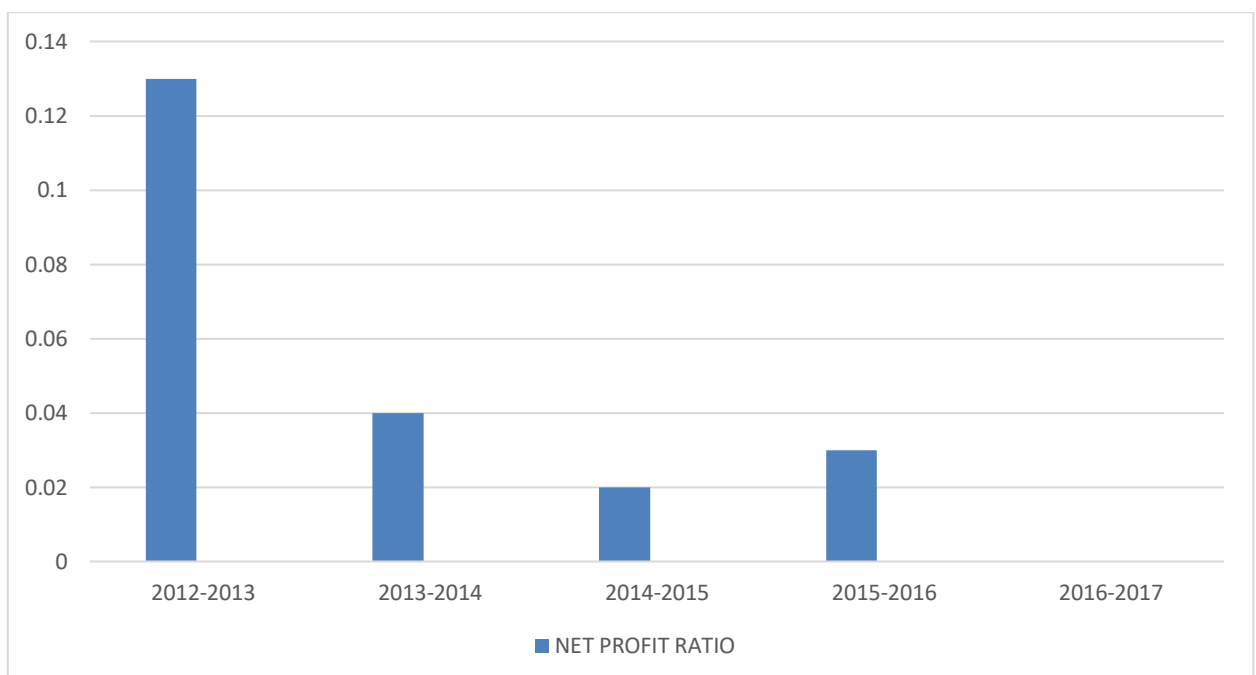
The high working capital turnover ratio is good that is 24% in the year of 2012-2013 and a low ratio tells the inefficient usage of working capital during the period of 2016-2017 is 16%. It clearly shows that the company working capital turnover ratio should lower & inefficient utilization in nature.

4.7 NET PROFIT RATIO:

4.7.1 Table showing on Net profit ratio

Year	Net profits	Net Sales	Ratio
2012 – 2013	44.87	340.88	0.13
2013 – 2014	1.03	250.76	0.04
2014 – 2015	5.19	334.01	0.02
2015 – 2016	5.83	339.07	0.02
2016 – 2017	0.64	239.76	0.03

4.7.2 Graph showing on Net profit ratio



Interpretation:

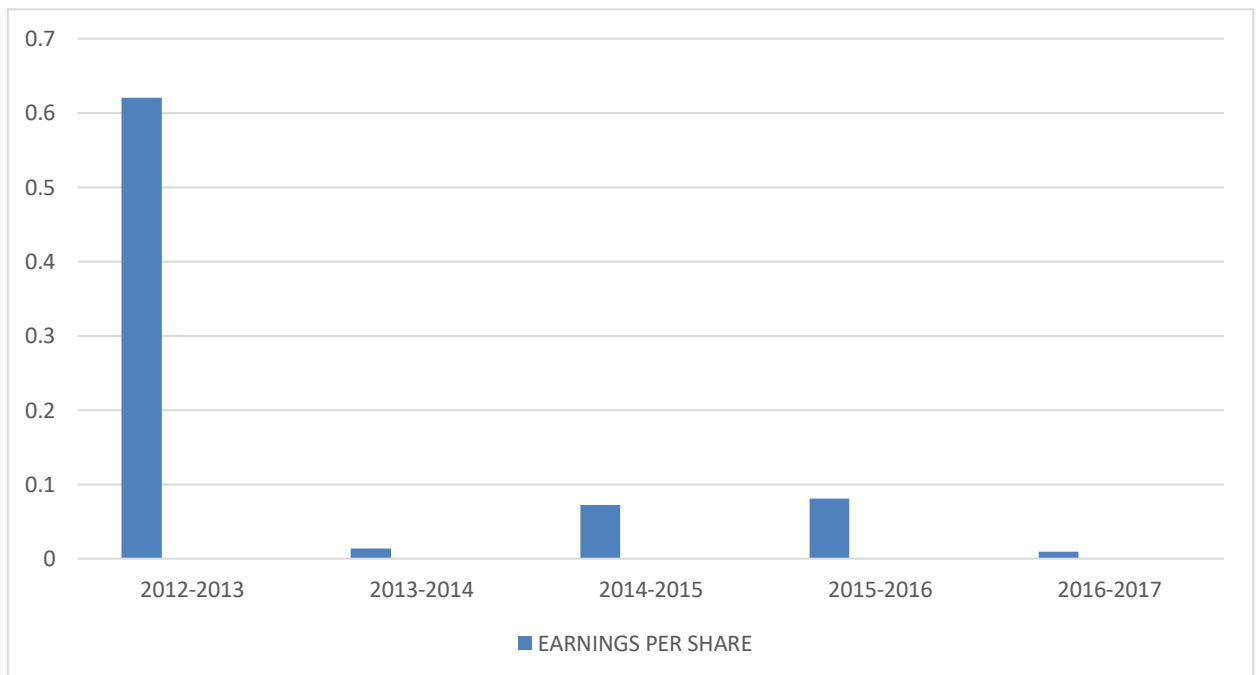
It creates a relationship among net profit and sales and indicates the capability of the firm in handling in the production, marketing, administration and other different workings of the company. The net profit ratio one of the full measure Hence the profitability of the firm is being decreased from the year 2014-2015.

4.8 EARNINGS PER SHARE:

4.8.1 Table showing on Earnings per shares

Year	Net profits	No.of equity shares	Ratio
2012 – 2013	44.87	72	0.62
2013 – 2014	1.03	72	0.014
2014 – 2015	5.19	72	0.072
2015 – 2016	5.83	72	0.081
2016 – 2017	0.64	72	0.009

4.8.2 Graph showing on Earnings per share



Interpretation:

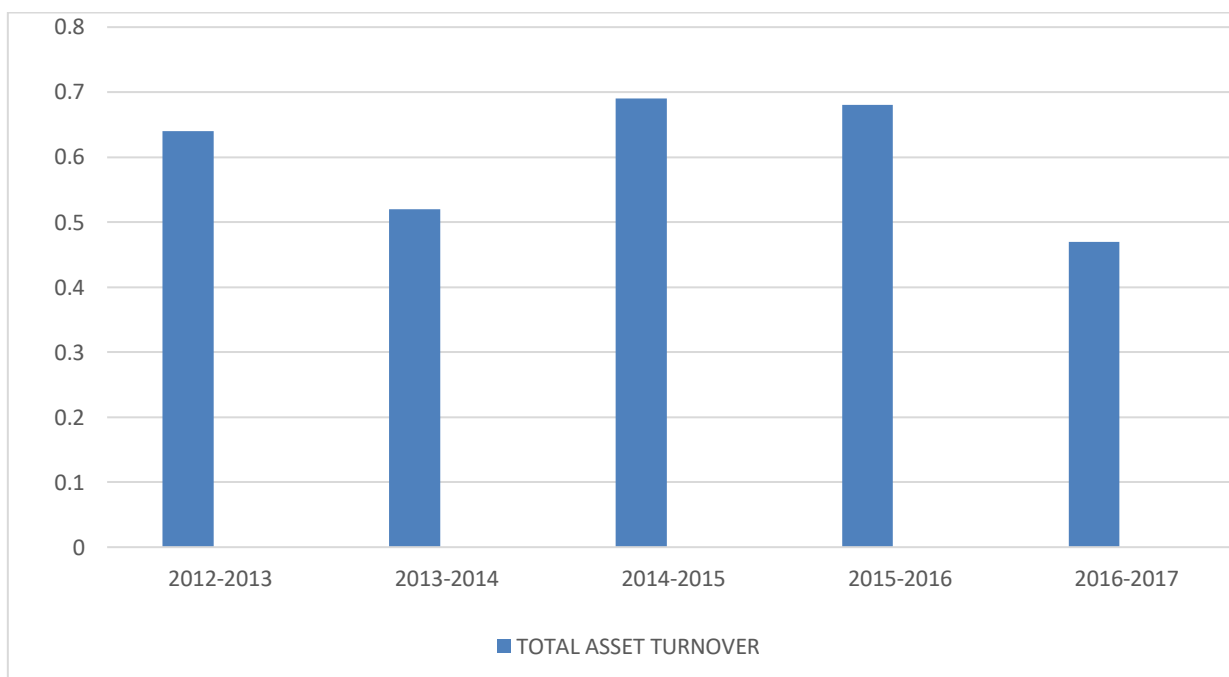
In the above table, the earnings per share during the year 2012-2013 were 0.62 and it decreased to 0.014 during the year 2013-2014. In the 2014-2015 the EPS was increased to 0.081 but during the 2016-2017 it decreased to 0.009. This ratio is very important as it helps in regulate the market price of equity share of the firm.

4.9 TOTAL ASSET TURNOVER:

4.9.1 Table showing on Total asset turnover

Year	Net Sales	Avg total asset	Ratios
2012 – 2013	340.88	530.45	0.64
2013 – 2014	250.76	482.19	0.52
2014 – 2015	334.01	483.36	0.69
2015 – 2016	339.07	501.06	0.68
2016 – 2017	239.76	507.49	0.47

4.9.2 Graph showing on Total asset turnover



Interpretation:

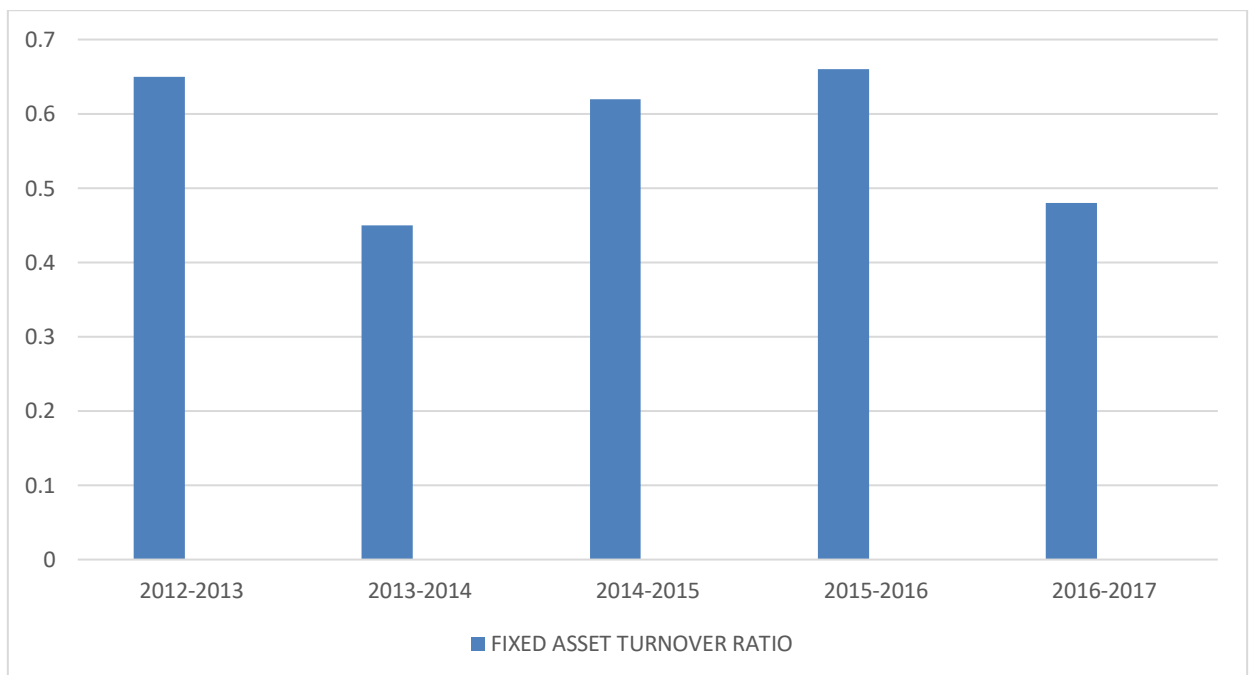
It has already been analyzed that the amount of investment in company is changing in all the 4 years. So by these ratios it is concluded that the firm's production capacities are almost change during 2016-2017.

4.10 FIXED ASSET TURNOVER RATIO:

4.10.1 Table showing on fixed asset turnover ratio

Year	Net Sales	Avg net fixed asset	Ratios
2012 – 2013	340.88	524.09	0.65
2013 -2014	250.76	557.61	0.45
2014 – 2015	334.01	535.19	0.62
2015 – 2016	339.07	514.87	0.66
2016 – 2017	239.76	504.09	0.48

4.10.2 Graph showing on fixed asset turnover ratio



Interpretation:

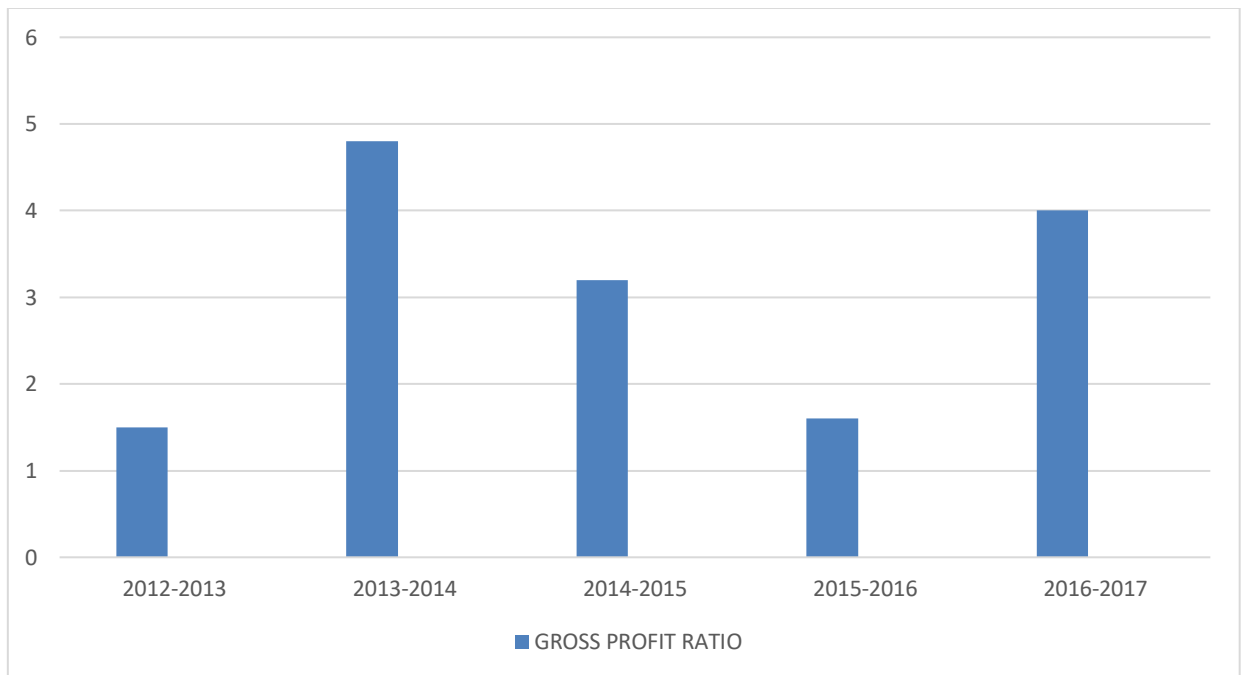
As per the above graph the ratios shows i.e. 0.65 in 2012-2013, in 2013-214 decreased to 0.45 and 2014-2015 was increased to 0.62 and in 2015-2016 was increased to 0.66 and in the last year 2016-2017 is decreased to 0.48. The company is not using well fixed assets to generate its sales.

4.11 GROSS PROFIT RATIO:

4.11.1 Table showing on Gross profit ratio

Year	Gross profit	Net profit	Ratios
2012 – 2013	68.55	44.87	1.5
2013 – 2014	4.95	1.03	4.8
2014 – 2015	16.58	5.19	3.2
2015 – 2016	9.05	5.83	1.6
2016 – 2017	2.58	0.64	4

4.11.2 Graph showing on Gross profit ratio



Interpretation:

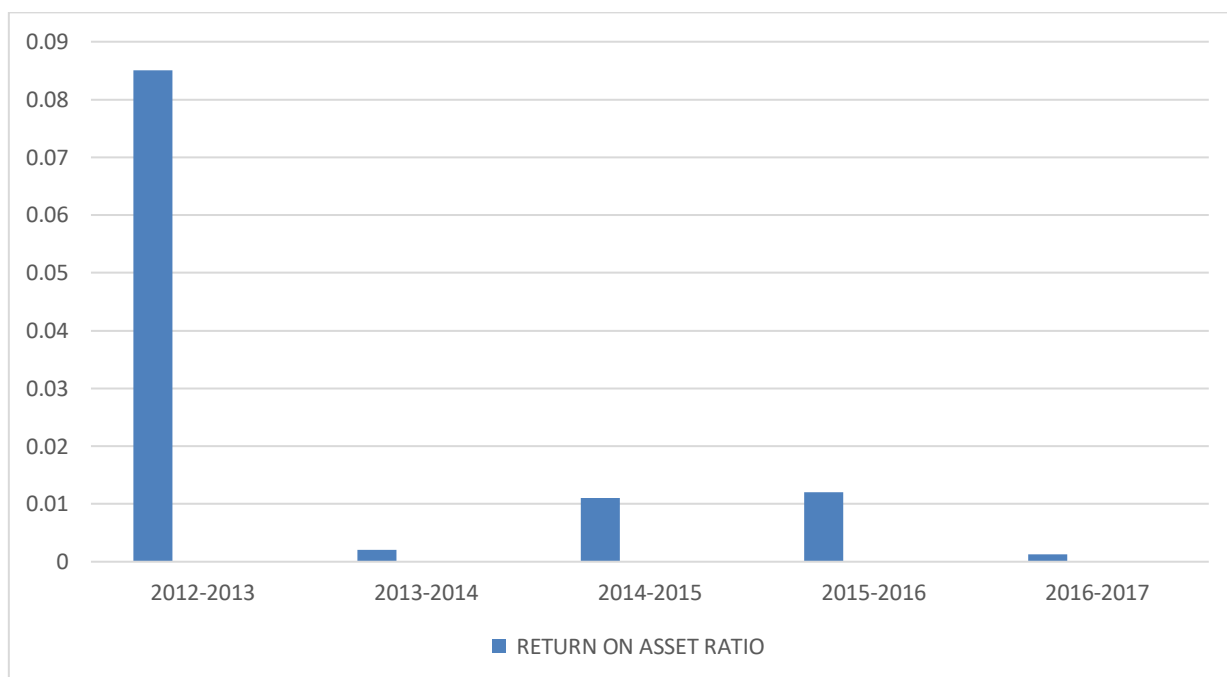
In the above graph shows that the gross profit of the company from the year 2013 to 2017. In the year 2013 the company's financial position as well as the solvency position is too good compare rest years. Because gross profit is more in the year 2013 and 2016 i.e. 23%. It shows the company earns more profit through foreign earnings. This ratio is the overall measure of company's profitability. Hence the profitability of the firm is being decreased from 2016-2017.

4.12 RETURN ON ASSET RATIO:

4.12.1 Table showing on Return on asset ratio

Year	Net profit	Avg total asset	Ratios
2012 – 2013	44.89	530.45	0.085
2013 – 2014	1.03	482.19	0.002
2014 – 2015	5.19	483.36	0.011
2015 – 2016	5.83	501.06	0.012
2016 – 2017	0.64	507.49	0.0013

4.12.2 Graph showing on Return on asset ratio



Interpretation:

The above graph the ratio is increasing in 2012-2013 and the following 4 years was decreasing i.e. 0.002, 0.011, 0.012 and 0.0013 respectively.

PARTICULARS	As at 31-03-17	As at 31-03-16	As at 31- 03-2015	As at 31-03-14	As at 31- 03- 2013
Equity and liability Shareholders fund					
Share capital	100	100	100	100	100
Reserves and surplus	100	97.6	96.6	95.92	95.7
Non- current liabilities					
Deferred tax liabilities(Net)	100	138.65	141.7	139.09	136.61

Long-term provisions	100	651.57	538.43	513.06	310.92
Current liability					
Trade payables	100	73.73	91.16	39.06	54.41
Other current liabilities	100	56.28	86.64	50.08	61.67
Short-term provisions	100	162.89	240.6	289.07	1054.94
TOTAL	100	88.34	97.61	81.77	97.18
Assets					
Non-current assets					
Fixed assets					
Tangible assets	100	101.69	104.32	109.81	113.29
Other Non-Current Assets	0	0	0	0	0
current assets					
Inventories	0	0	0	0	0
Trade receivables	100	65.64	74.8	80.43	82.73
Cash and cash equivalentss	100	155.05	163.78	129.91	155.55
Short term loans and advances	100	59.42	76.26	52.52	83.24

Other current asset	100	20.68	21.2	0	0
Less:current liabilities & provisions					
Current liabilities	0	0	0	0	o
provisions	0	0	0	0	0
Total	100	88.34	97.61	81.77	97.18

TREND ANALYSIS:

A). TREND ANALYSIS ON SALES – REGRESSION METHOD

$$y = a + bx$$

$$\sum y = na + b\sum x$$

$$\sum xy = a\sum x + b\sum x^2$$

YEAR	SALES (Y)	X	XY	x^2	TREND
2012 – 2013	340.88	-2	-681.76	4	323.7
2013 – 2014	250.76	-1	-250.76	1	312.3
2014 – 2015	334.01	0	0	0	300.9
2015 – 2016	339.07	1	339.07	1	289.5
2016 – 2017	239.76	2	479.52	4	278.1
TOTAL	$\sum y =$ 1504.48	$\sum y = 0$	$\sum xy = -113.93$	$\sum x^2 = 10$	1504.48

$$\sum y = na + b\sum x$$

$$\sum xy = a\sum x + b\sum x^2$$

$$1504.48 = 5a + b \cdot 0$$

$$-113.93 = a \cdot 0 + b \cdot 10$$

$$1504.48/5 = a + b \cdot 0$$

$$b = -113.93/10$$

$$a = 300.9$$

$$b = -11.5$$

In 2013

In 2014

$$x = -2$$

$$x = -1$$

$$y = a + bx$$

$$y = a + bx$$

$$y = 300.9 + -11.4(-2)$$

$$y = 300.9 + -$$

$$11.4 \cdot -1 \quad y = 323.7$$

$$y = 312.3$$

In 2015

In 2016

$$x = 0$$

$$x = 1$$

$$y = a + bx$$

$$y = a + bx$$

$$y = 300.9 + -11.4 \cdot 0$$

$$y = 300.9 + -11.4 \cdot 1$$

$$y = 300.9$$

$$y = 289.5$$

In 2017

$$x = 2$$

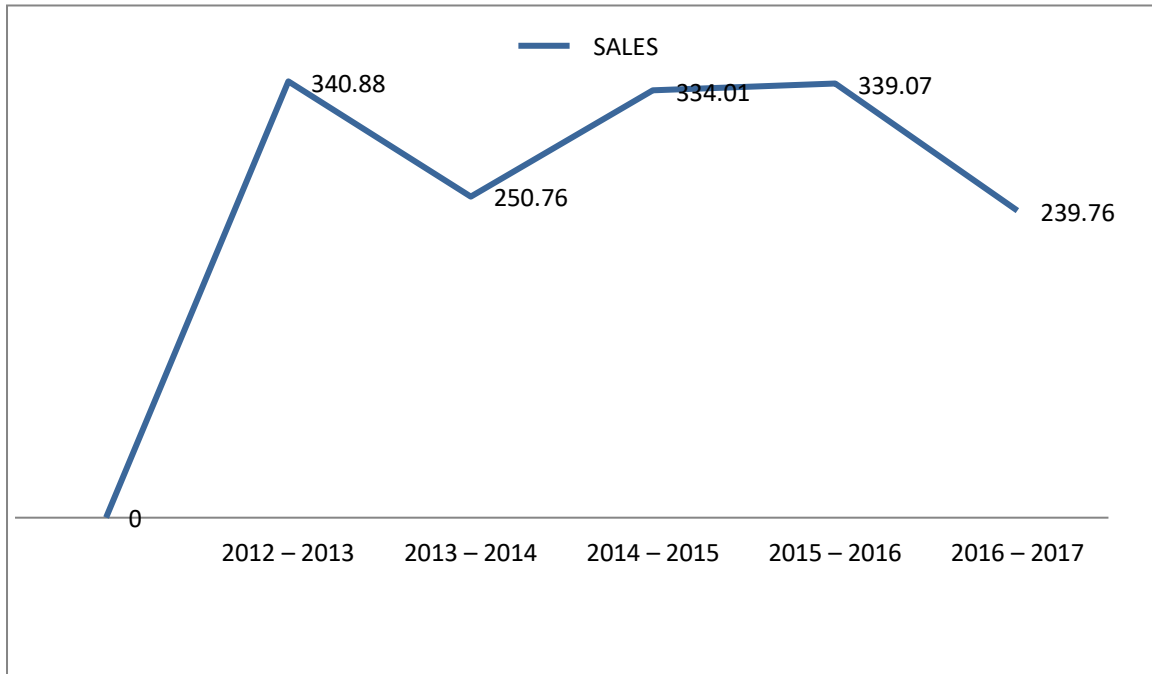
$$y = a + bx$$

$$y = 300.9 +$$

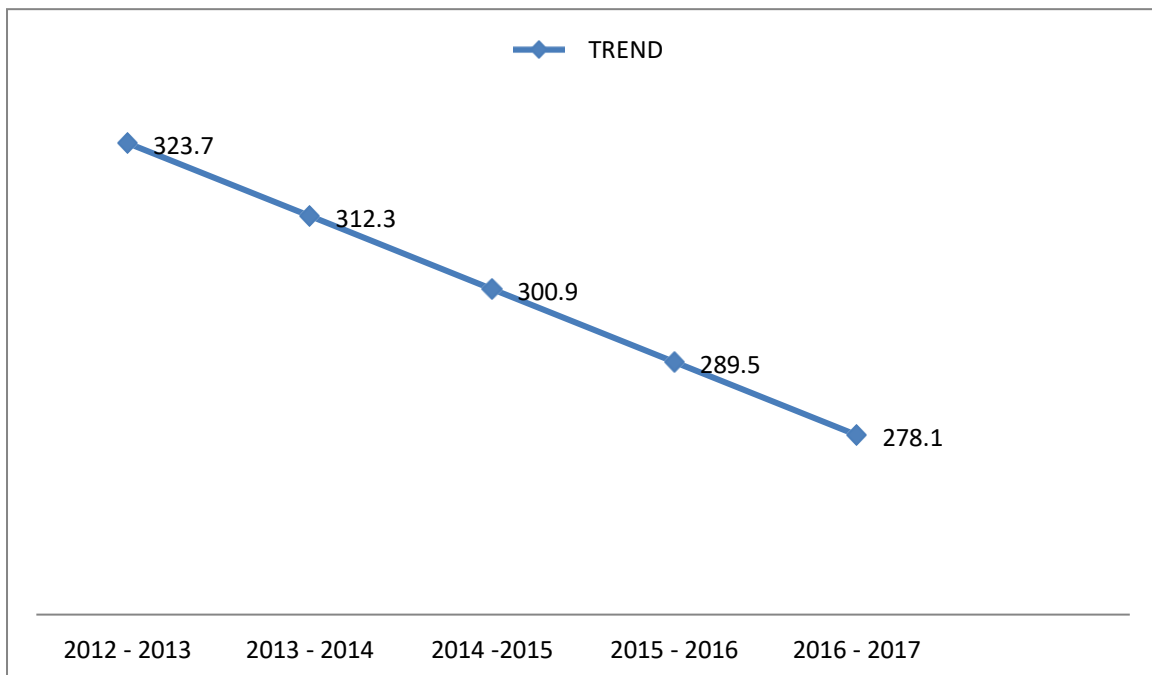
$$-11.4 \cdot 2 \quad y =$$

$$278.1$$

4.10 Graph showing on sales:



4.18 Graph showing on Trend:



Interpretation: The year 2012-2013 there occurred high variation in sales than the original sales that occurred. But in 2014, 2015, 2016 & 2017 the sales have not reached up to the market. The trend graph shows clearly that from the year 2013 to 2017 where we can see continuous fall.

A) PROFIT TREND

$$y = a + bx$$

$$\sum y = na + b\sum x$$

$$\sum xy = a\sum x + b\sum x^2$$

YEAR	PROFIT (Y)	X	XY	X ²	TREND
2012 – 2013	44.87	-2	-89.74	4	28.31
2013 – 2014	1.03	-1	-1.03	1	19.91
2014 – 2015	5.19	0	0	0	11.51
2015 – 2016	5.83	1	5.83	1	3.11
2016 – 2017	0.64	2	1.28	4	-5.29
TOTAL	$\sum y = 57.56$	$\sum x = 0$	$\sum xy = -83.66$	$\sum x^2 = 10$	57.56

$$\sum y = na + b\sum x$$

$$57.56 = 5a + b*0$$

$$57.56/5 = a + b*0$$

$$a = 11.51$$

$$\sum xy = a\sum x + b\sum x^2$$

$$-83.66 = a*0 + b*10$$

$$b = -83.66/10$$

$$b = -8.4$$

$$\sum y = na + b\sum x$$

$$57.56 = 5a + b*0$$

$$57.56/5 = a + b*0$$

$$a = 11.51$$

In 2013

$$x = -2$$

$$y = a + bx$$

$$y = 11.51 + -8.4(-2)$$

$$y = 28.31$$

In 2015

$$x = 0$$

$$y = a + bx$$

$$y = 11.51 + -8.4*0$$

$$y = 11.51$$

In 2017

$$x = 2$$

$$y = a + bx$$

$$y = 11.51$$

$$+ -8.4*2y$$

$$= -5.29$$

$$\sum xy = a\sum x + b\sum x^2$$

$$- 83.66 = a*0 + b*10$$

$$b = -83.66/10$$

$$b = -8.4$$

In 2014

$$x = -1$$

$$y = a + bx$$

$$y = 11.51 + -8.4*-1$$

$$y = 19.91$$

In 2016

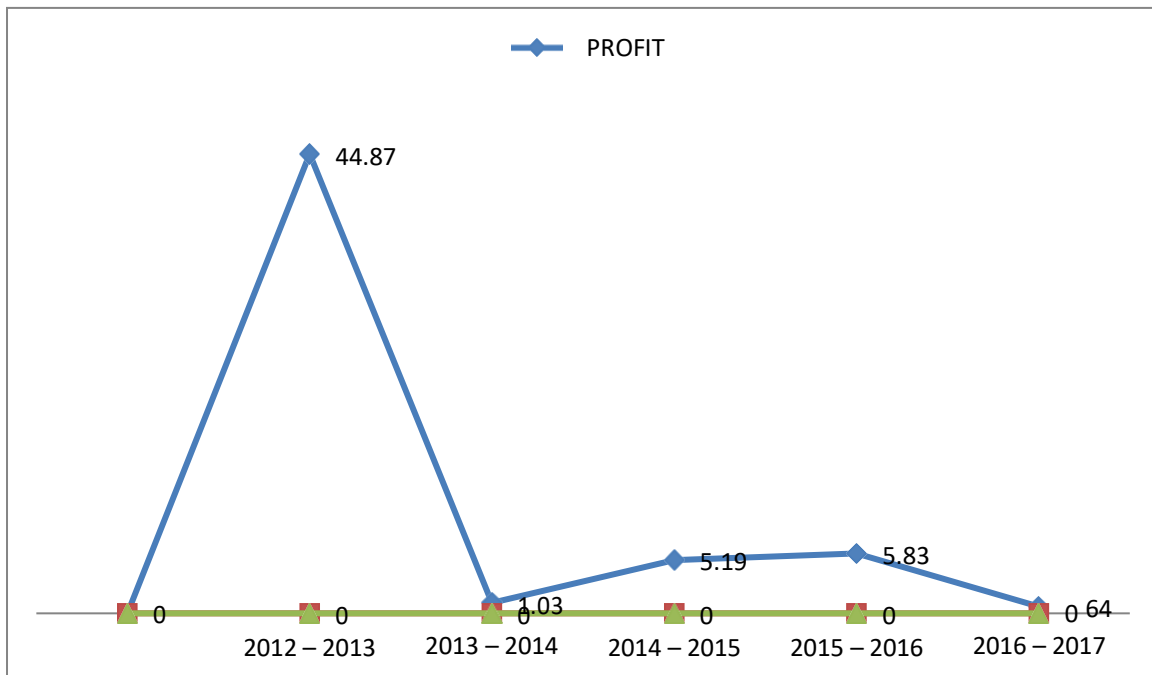
$$x = 1$$

$$y = a + bx$$

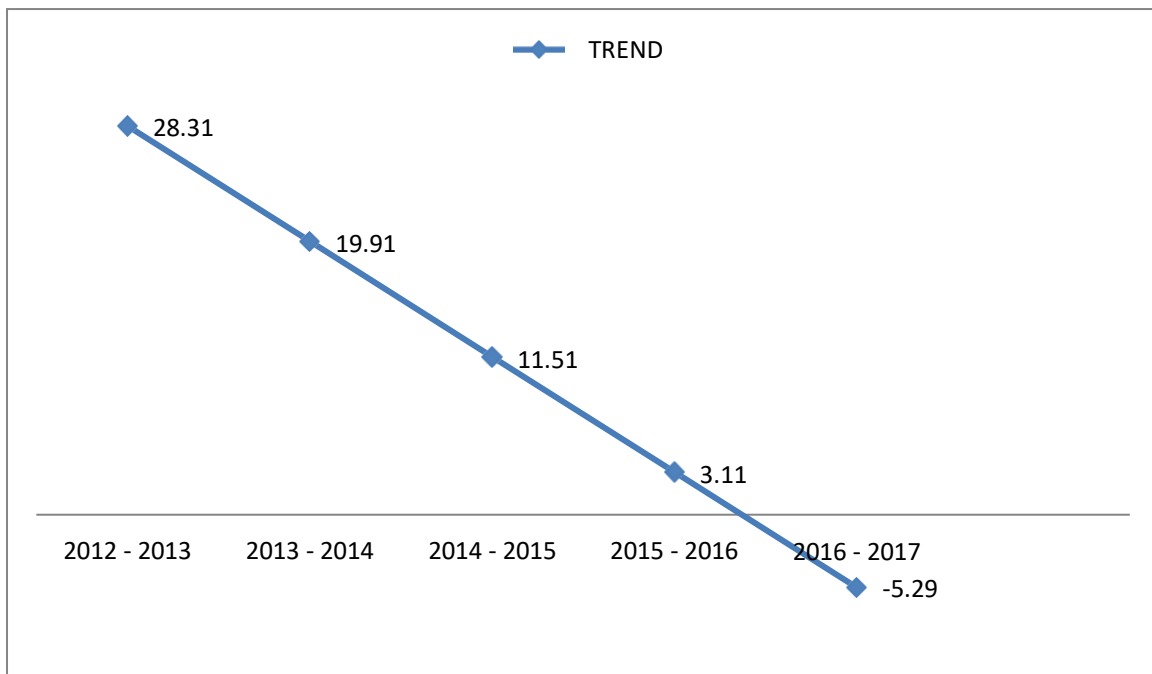
$$y = 11.51 + -8.4*1$$

$$y = 3.11$$

Graph showing on Profit:



Graph showing on Trend:



Interpretation:

The above drawn graph tells that the profit of the company from year 2013 to 2017. In the year 2013 the company financial position as well as the solvency position is to good compare rest years. Because profit of the year 2013 is 28.31. It shows the company earns more profit through foreign earnings.

COMPARATIVE BALANCE SHEET:

Comparative balance sheet of HMT (I) Bengaluru 2016 and 2017

PARTICULARS	As at 31-03-17	As at 31-03-16	Change in rupees	Change in %
Equity and liability				
Shareholders fund				
Share capital				
Reserves and surplus	72	72	0	0
	3160.8	3084.41	-76.39	-2.47
Non- current liability				
Deferred tax liabilities(Net)	85.66	118.77		
Long - term provisions			32.11	27.03
	13.09	85.29		

			72.2	84.6 4
Current liability				
Trade payables	911.49	672.02	-239.47	35.63
Other current liabilities	1068.05	601.14	-467.03	-77.69
Short-term provisions	77.98	127.02	49.04	38.6
TOTAL	5389.09	4760.65	-629.54	105.74
Assets				
Non - current assets				
Fixed assets				
Tangible assets (Net)				
Other Non-Current Assets	499.87	508.3	8.43	1.65
	-	-		
Current assets				
Inventories	-	-		
Trade receivables	1397.4	917.23	-480.17	-52.35
Cash and cash equivalents	1578.15	2446.89	868.74	35.5

Short - term loans and advances	1271.24	755.41		
Less: Current Liabilities & Provisions	642.41	132.82	-515.83	-68.28
Current Liabilities Provisions	-----	-----	-509.59	-383.66
	-----	-----		
TOTAL	5389.09	4760.65	-629.54	105.74

Interpretation of comparative balance sheet 2016 and 2017:

- Reserves and surplus decreased to -2.47 % i.e. in rupees 76.39 lakhs.
- Deferred tax increased to the 27.03 % i.e. in rupees the 32.11 lakhs.
- Long term provisions increased to 38.63% i.e. in rupees 49.04 lakhs.
- Total current liabilities i.e. (trade payables, other current liabi Fixed assets are increased to 1.65 % i.e. in the rupees of 8.43 lakhs.
- Inventories decreased to -85.13 %
- Trade receivables increased to 2.776816609 % i.e. in rupees32.1 lakhs.
- Cash and cash equivalents increased to 35.5 % i.e. in rupees 868.74 lakhs.
- Short term loans and advances increased to-68.28 % i.e. in rupees-515.83 lakhs.

Comparative balance sheet of HMT (I) Bengaluru 2015 and 2016

PARTICULARS	As at 31-03-16	As at 31- 03-2015	Change in rupees	Change in %
Equity and liability				
Shareholders fund				
Share capital				
Reserves and surplus	72	72	0	0
	3084.41	3052.83	-31.58	-1.03
Non-current liability				
Deferred tax liabilities	118.77	121.38		
Long - term provisions			2.61	2.15
	85.29	70.48	-14.81	-21.01
Current liability				
Trade payables	672.02	830.88	158.86	19.11
Other current liabilities	601.14	925.33	324.19	35.03
Short- term provisions	127.02	187.62	60.6	32.29

TOTAL	4760.65	5260.52	499.87	66.54
Assets				
Non- current assets				
Fixed assets				
Tangible assets				
Other Non - Current Assets	508.3	521.44	13.14	2.51
	-	-		
Current assets				
Inventories	-	3.53	3.53	100
Trade receivables	917.23	1045.3	128.07	12.25
Cash and cash equivalents	2446.89	2584.62	137.73	5.32
Short- term loans and advances	755.41	969.47	214.06	22.08
Less: Current Liabilities & Provisions	132.82	136.16	3.34	2.45
Current Liabilities				
Provisions	-----	-----		
	-----	-----		
TOTAL	4760.65	5260.52	499.87	66.54

Interpretation:

- Reserves and surplus decreased to -1.03 % i.e. in rupees -31.58 lakhs.

- Deferred tax increased to 2.15 % i.e. in rupees 2.61 lakhs.
- Long term provisions decreased to -21.01% i.e. in rupees -14.81 lakhs .
- Total current liabilities i.e. increased to 66.54 %.

Comparative balance sheet of HMT (I) Bengaluru 2014 and 2015:

PARTICULARS	As at 31-03-2015	As at 31-03-14	Change in rupees	Change in %
Equity and liability				
Shareholders fund				
Share capital				
Reserves and surplus	72	72	0	0
	3052.83	3031.93	-20.9	-0.69
Non - current liability				
Deferred tax liabilities (Net)	121.38	119.15	-2.23	-1.87
Long - term provisions	70.48	67.16	-3.32	-4.94
Current liability				
Trade payables	830.88	356.06	-474.82	-133.35
Other current liabilities	925.33	534.93		

Short -term provisions	187.62	225.42	-390.4 37.8	-72.98 16.76
TOTAL	5260.52	4406.65	-853.87	-197.07
Assets				
Non - current assets				
Fixed assets				
Tangible assets	521.44	548.93	27.49	5
Other Non - Current Assets	-	-	-	-
Current assets				
Inventories	3.53	16.01	12.48	77.95
Trade receivables	1045.3	1123.9	78.6	6.99
Cash and cash Equivalents	2584.62	2050.19	-534.43	-26.06
Short - term loans and advances	969.47	667.62		
Less: Current Liabilities & Provisions			365.77	54.78
Current Liabilities Provisions	136.16		-136.16	0
	-----	-----		
	-----	-----		
TOTAL	5260.52	4406.65	-853.87	-197.07

Interpretation:

- Reserves and surplus decreased to -0.69 % i.e. in rupees -20.9 lakhs.
- Deferred tax decreased to -1.87 % i.e. in rupees -2.23 lakhs.
- Long term provisions decreased to – 4.94% i.e. in rupees 3.32 lakhs.
- Total current liabilities i.e. (trade payables, other current liability & short term provisions) decreased by -197.07 %.
- Fixed assets increased to 5 % i.e. in rupees 27.49 lakhs.
- Inventories increased to 77.95 %
- Trade receivables increased to 77.95 % i.e. in rupees 78.48 lakhs.
- Cash and cash equivalents decreased to -26.06 % i.e. in rupees -534.43 lakhs.
- Short term loans and advances increased to 54.78 % i.e. in rupees 365.77 lakhs.

CHAPTER – 5

FINDINGS, CONCLUSION AND SUGGESTIONS

5.1 FINDINGS:

It is necessary to print out the strength and weakness of the company after making analytical study. Financial analysis will reveal all the strength and weakness of the HMT (I) with regard to the trend analysis, ratio analysis.

- Current ratio of the firm is normal in ratio 2013 to 2017 has shown good financial position compared it to previous financial years the working capital turnover ratio has increased in the years 2015 & 2017 shows company has taken step to invest in current assets and other short term investment opportunities.
- A quick ratio of 1:1 is examined as acceptable HMT (I) is having high quick ratio. It represent that the liquidity position of the company is satisfactory.
- The current ratio of 2:1 is considered acceptable. HMT (I) having a very high current ratio i.e. 2.36 during the period of 2016-2017.
- As per the above analysis it is found that the firm gross profit ratio is continuously decreasing in all three years.
- From the above study it is clear that the proprietary ratio of the company is less. This shows that the shareholders have less control over the assets management.
- The EPS of the firm is satisfactory in the year 2013 i.e. 0.62 is good for that year, rest of the years the EPS keep on decreasing year to year. It shows the negative impact of the company in the future.
- The net profit ratio is the overall measure of the firm's profitability. Hence the profitability of the firm is being decreased from the year 2014-2015.
- The working capital turnover ratio is less in the year 2014 i.e. 16% it shows that the company should take steps to invest in current assets and other short term investment opportunities.

5.2 SUGGESTIONS:

- HMT (I) LTD. Can raise the fund by the issue of debentures to the public for financing its future projects.
- The company / production units should decrease the cost of production to increase the gross profit.
- The company as take proper steps and premeditated to improve the performance of turnover, based on demand and supply.
- Annual sales and profit are fluctuating. For the sake of the company it is necessary to take proper steps regard to improve sales.
- The company could try to recover the loan given to its subsidiary company.

5.3 CONCLUSION:

Profit is main motivation for the success of the business organization. Success is a key of a good business enterprise. The success largely depends on financial decision. The extent to which profit is earned will commonly depend upon magnitude of the sales.

Ratio analysis allows financial managers to anticipate events: it helps a firm to have sufficient cash to remain in the business in the short term. As ratio analysis indicates the weak spots of the business this helps management to overcome the risk by improving the overall performance of the business and the firm and also it helps in the comparison of the performance of one firm with another.

The EPS and profit of the Company is decreasing year by year so company has to take measures to increase the sales, production and profit. Otherwise company will face negative impact in the future.

The company as take proper steps and premeditated to improve the performance of turnover, based on demand and supply. Annual sales and profit are fluctuating. For the sake of the company it is necessary to take proper steps regard to improve sales.

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