

A STUDY ON FINANCIAL STATEMENTS ANALYSIS OF DOMAIN2HOST CHENNAI TAMILNADU

Submitted in partial fulfilment of the requirements for the award of

Master of Business Administration

By

BISMI M

Register No. 39410040



SCHOOL OF BUSIMINISTRATION

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

April - 2021



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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **BISMI M 39410040** who have done the Project work entitled **A STUDY ON FINANCIAL STATEMENTS ANALYSIS OF DOMAIN2HOST CHENNAI TAMILNADU** under my supervision from **JANUARY 2021 to MARCH 2021**.

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DECLARATION

I, **BISMI M 39410040**, hereby declare that the Project Report entitled **A STUDY ON FINANCIAL STATEMENTS ANALYSIS OF DOMAIN2HOST CHENNAI TAMILNADU** done by me under the guidance of **Dr R Thamilselvan**, M.Com., M.B.A., M.Phil., B.Ed., Ph.D., Associate Professor, Department of Management Studies is submitted in partial fulfilment of the requirements for the award of Master of Business Administration degree.

DATE:

PLACE:

SIGNATURE OF THE CANDIDATE

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

BISMI M

ABSTRACT

The project titled A study on Financial statement analysis conducted in Domain2Host is to analyse the financial position of the company. The objective of this project is to find out the efficiency of the company using financial ratios like profitability ratios, turnover ratio & solvency ratio of the company, to find out the liquidity position of the company, to study the performance of company through comparative analysis and to provide suitable suggest improving the financial performance of the company.

The project is pertained to the company data available for the past five years. The conclusions are drawn from the analysis done with the ratios, comparative, common size study. The study elucidates the financial position of the company with respect to the past five years. It helps the company to place itself among various other competitive companies.

The study through the analysis reveals the pros and cons of the company financial status. It enables the reader to understand the various financial aspects of a company through uncomplicated interpretation and findings for study purpose.

Financial performance can improve the financial strength of company. The company liquidity 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 performance to achieve the company goals.

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CHAPTER I

INTRODUCTION

Financial Performance in broader sense refers to the degree to which financial objectives being or has been accomplished and is an important aspect of finance risk management. It is the process of measuring the results of a firm's policies and operations in monetary terms. It is used to measure firm's overall financial health over a given period of time and can also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation.

Financial statements are primarily prepared for decision-making. They play a dominant role in setting the framework of managerial decision. The published financial statements

of business may be of considerable interest to present the same to their respective potential shareholders, managers, moneylenders, banks, financial institutions, trade organization and many others.

MEANING OF FINANCIAL STATEMENT ANALYSIS DEFINATION:

Financial analysis is the process of identifying the financial strengths and weakness of firm by properly establishing relationship between the items of the balance sheet and profit and loss account. The purpose of financial analysis is to diagnose the information contained in the financial statements so as to judge the profitability and financial soundness of the firm. A financial analyst, analyses the financial statements with various tools of analysis before commenting upon the financial position of the enterprises

Significance of Analysis of Financial Statements

Financial analysis is the process of identifying the financial performance of the firm by properly establishing relationships between the various items of the balance sheet and the statement of profit and loss. Financial analysis can be undertaken by management of the firm, or by parties outside the firm, viz., owners, trade creditors, lenders, investors, labour unions, analysts and others. The nature of analysis will differ depending on the purpose of the analyst. A technique frequently used by an analyst need not necessarily serve the purpose of other analysts because of the difference in the interests of the analysts. Financial analysis is useful and significant to different users in the following ways:

Finance manager: Financial analysis focusses on the facts and relationships related to managerial performance, corporate efficiency, financial performance and creditworthiness of the company. A finance manager must be well-equipped with the different tools of analysis to make rational decisions for the firm. The tools for analysis help in studying accounting data so as to determine the continuity of the operating policies, investment value of the business, credit ratings and testing the efficiency of operations. The techniques are equally important in the area of financial control, enabling the finance manager to make constant reviews of the actual financial

operations of the firm to analyse the causes of major deviations, which may help incorrective action wherever indicated.

Top management: The importance of financial analysis is not limited to the finance manager alone. It has a broad scope which includes top management in general and other functional managers. Management of the firm would be interested in every aspect of the financial analysis. It is their overall responsibility to see that the resources of the firm are used most efficiently and that the firm's financial condition is sound. Financial analysis helps the management in measuring the success of the company's operations, appraising the individual's performance and evaluating the system of internal control.

Trade payables: Trade payables, through an analysis of financial statements, appraise not only the ability of the company to meet its short-term obligations, but also judge the probability of its continued ability to meet all its financial obligations in future. Trade payables are particularly interested in the firm's ability to meet their claims over a very short period of time. Their analysis will, therefore, evaluate the firm's liquidity position.

Lenders: Suppliers of long-term debt are concerned with the firm's long term solvency and survival. They analyse the firm's profitability over a period of time, its ability to generate cash, to be able to pay interest and repay the principal and the relationship between various sources of funds (capital structure relationships). Long-term lenders analyse the historical financial statements to assess its future solvency and profitability.

Investors: Investors, who have invested their money in the firm's shares, are interested about the firm's earnings. As such, they concentrate on the analysis of the firm's present and future profitability. They are also interested in the firm's capital structure to ascertain its influences on firm's earning and risk. They also evaluate the efficiency of the management and determine whether a change is needed or not. However, in some large companies, the shareholders' interest is limited to decide whether to buy, sell or hold the shares.

Labour unions: Labour unions analyse the financial statements to assess whether it can presently afford a wage increase and whether it can absorb a wage increase through increased productivity or by raising the prices. statements to study the present business

and economic conditions. The government agencies need it for price regulations, taxation and other similar purposes.

Objectives of Analysis of Financial Statements

Analysis of financial statements reveals important facts concerning managerial performance and the efficiency of the firm. Broadly speaking, the objectives of the analysis are to apprehend the information contained in financial statements with a view to know the weaknesses and strengths of the firm and to make a forecast about the future prospects of the firm thereby, enabling the analysts to take decisions regarding the operation of, and further investment in the firm. To be more specific, the analysis is undertaken to serve the following purposes (objectives):

To assess the current profitability and operational efficiency of the firm as a whole as well as its different departments so as to judge the financial health of the firm.

To ascertain the relative importance of different components of the financial position of the firm.

To identify the reasons for change in the profitability/financial position of the firm.

To judge the ability of the firm to repay its debt and assessing the short- term as well as the long-term liquidity position of the firm.

Significance of Financial Performance Measurement:

The interest of various related groups is affected by the financial performance of a firm. The type of analysis varies according to the specific interest of the party involved:

Trade creditors: interested in the liquidity of the firm (appraisal of firms liquidity)

Bond holders: interested in the cash-flow ability of the firm (appraisal of firms capital structure, the major sources and uses of funds, profitability over time, and projection of future profitability)

Investors: interested in present and expected future earnings as well as stability of these earnings (appraisal of firms profitability and financial condition)

Management: interested in internal control, better financial condition and better performance (appraisal of firms present financial condition, evaluation of opportunities in relation to this current position, return on investment provided by various assets of the company etc.)

1:1 INDUSTRY PROFILE

India is the world's largest sourcing destination for the information technology (IT) industry, accounting for approximately 67 per cent of the US\$ 124-130 billion market. The industry employs about 10 million workforces. More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its Unique Selling Proposition (USP) in the global sourcing market. However, India is also gaining prominence in terms of intellectual capital with several global IT firms setting up their innovation centre's in India.

The IT industry has also created significant demand in the Indian education sector, especially for engineering and computer science. The Indian IT and Bites industry is divided into four major segments IT services, Business Process Management (BPM), software products and engineering services, and hardware.

The IT-BPM sector which is currently valued at US\$ 143 billion is expected to grow at a Compound Annual Growth Rate (CAGR) of 8.3 per cent year-on-year to US\$ 143 billion for 2018-16. The sector is expected to contribute 9.5 per cent of Indians Gross Domestic Product (GDP) and more than 45 per cent in total services export in 2018-16.

Market Size

The Indian IT sector is expected to grow at a rate of 12-14 per cent for FY2020-20 in constant currency terms. The sector is also expected triple its current annual revenue to reach US\$ 350 billion by FY 2025#.

India ranks third among global start-up ecosystems with more than 4,200 start-ups##.

Indians internet economy is expected to touch Rs 10 trillion (US\$ 146.72 billion) by 2020, accounting for 5 per cent of the country GDP###. Indians internet user base reached over 400 million by May 2019, the third largest in the world, while the number of social media users grew to 143 million by April 2018 and smartphones grew to 160 million.

Public cloud services revenue in India is expected to reach US\$ 1.26 billion in 2019, growing by 30.4 per cent year-on-year (y-o-y)^. The public cloud market alone in the country was estimated to treble to US\$ 1.9 billion by 2020 from US\$ 638 million in 2017^. Increased penetration of internet (including in rural areas) and rapid emergence of e-commerce are the main drivers for continued growth of data center co-location and hosting market in India. The Indian Healthcare Information Technology (IT) market is valued at US\$ 1 billion currently and is expected to grow 1.5 times by 2022^^. India's business to business (B2B) e-commerce market is expected to reach US\$ 700 billion by 2022 whereas the business to consumer (B2C) e-commerce market is expected to reach US\$ 102 billion by 2022^^.

Investments

Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflows worth US\$ 21.02 billion between April 2007 and March 2019, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Indian start-ups are estimated to have raised US\$ 1.4 billion across 307 deals in quarter ending March 2019.

Most large technology companies looking to expand have so far focused primarily on bigger enterprises, but a report from market research firm Zinn highlighted that the small and medium businesses will present a lucrative opportunity worth US\$ 11.6 billion in 2018, which is expected to grow to US\$ 25.8 billion in 2022. Moreover, India has nearly 51 million such businesses of which 12 million have a high degree of technology influence and are looking to adopt newer IT products, as per the report.

Some of the major developments in the Indian IT and Bites sector are as follows:

Drove Incorporation, a data protection firm, has received US\$ 51 million in a funding round led by its existing investor Sequoia Capital India along with new investor EDBI which is the investment arm of the Singapore Economic Development Board (EDB).

Google, the American technology giant, has launched a new Wi-Fi platform called Google station, under which the company will install Wi-Fi hot spots in places frequented by a large number of people like malls, cafes, universities.

Reliance Industries Ltd (RIL) plans to set up entrepreneurship hubs in key cities and towns, and a Rs 5,000 crore (US\$ 748 million) fund, under the name of Join Digital India Start-ups Fund, to invest in technology based stratus.

Gurgaon-based digital wallet start-up Maliki, which is owned and operated by One Maliki Systems Private Limited, has raised US\$ 40 million from Nasdaq-listed firm Net1, a South African payments technology company.

Orange Business Services, the business services arm of Orange Group, has launched a state data centre for Himachal Pradesh government, which will be the first data centre in India to be designed using 'green' data centre concepts that minimise power requirements and increase power utilisation efficiency.

Purple Talk Inca, a US based mobile solutions company, has invested US\$ 1 million in Nocked Shops, a Hyderabad based uber-local commerce platform that helps neighbourhood retail stores take their businesses online through a mobile app.

Kart Rocket, a Delhi based e-commerce enabler has completed its US\$ 8 million funding round by raising US\$ 2 million from a Japanese investor, which will be used to

enhance Kraft, a mobile-first online-to-offline marketplace targeting small sellers, individuals and home-based entrepreneurs in India in product categories such as apparel and accessories.

Mumbai-based baby care and kids products e-trailer, Hopscotching, has raised US\$ 13 million in a Series C round of funding from Facebook co-founder Mr Eduardo Saverin, which will help the firm in growth and expansion of its technology platform.

Mom ark Services, a mobile based customer engagement platform for small and medium businesses, has raised US\$ 600,000 from Your Nest Angel Fund and LNB Group, to scale up its product offerings and talent acquisition.

Shouts, a social discovery app by Giant Tech Labs Pvt Ltd, which helps consumers discover deals, buy event tickets or redeem coupons, has raised US\$ 500,000 in angel funding from a high net-worth individual angel investor based in India.

Apple Inc. plans to set up its first technology development centre outside the US in Hyderabad with an investment of US\$ 25 million, which is expected to create 4,500 jobs, as per Mr Jaynes Rajang, Secretary, IT for the state of Telangana.

Expresses, an e-commerce logistics firm operated by Busyness Logistics Solutions Private Limited, has raised US\$ 12.5 million in a Series A funding, led by its existing investors SAIF Partners, IDG Ventures, Vertex Ventures and Valiant Capital, which will be used to strengthen technology initiatives and processes of the firm.

Houseboys, an online home services provider, has raised Rs 150 crore (US\$ 22 million) in a Series B round of funding led by Amazon, and which also includes new investors such as Vertex Ventures, Qualcomm and Ru-Net Technology Partners.

Global PE firm Blackstone Group has acquired a minority stake in an Indian travel, transportation and logistics software firm, IBS Software, for US\$ 170 million, by buying the stake from General Atlantic and few other shareholders.

Indians top-tier IT company, Infosys Ltd, has bought a minority stake worth US\$ 3 million in Whoop, which is a US-based start-up that makes activity trackers worn by athletes.

Microsoft Ventures is planning to incubate 500 start-ups in India in the next five years with a vision to create a viable and profitable business out of the booming start-up sector in India.

National Association of Software and Services Companies (NASSCOM) plans to open four more tech start-up incubation centres in different parts of India, in addition to existing three, in support of Government of India's Start-up India initiative.

Masco Foundation, a non-profit organisation which is a part of Masco, has partnered with SAP India to establish 25 National Digital Literacy Mission (NDLM) centres in 12 cities across India, as a part of Government of India's Digital India initiative.

Infosys, India's second largest Information Technology services company has acquired US-based Noah Consulting, a provider of advanced information management consulting services for the oil and gas industry.

US-based Callous Software Inca, cloud-based sales, marketing, learning and customer experience solutions provider, has opened its centre in Hyderabad and also launched its Lead to Money suite in Indian markets.

Wipro Ventures, Wipro's US\$ 100 million corporate venture arm, plans to invest in early-stage Venture Capital (VC) funds based in the US to pursue a strategy of investing/partnering country-focussed VCs.

A recent study by research firm International Data Corporation (IDC) suggests that India may soon be able to catch up with the global technology trends that have disrupted enterprises, industry and the way consumers behave and transact.

Reliance is building a 650,000 square feet (sq. ft) data centre in India, its 10th data centre in the countrywide a combined capacity of about 1 million sq. ft and an overall investment of US\$ 200 million.

Intel Corp plans to invest about US\$ 62 million in 16 technology companies, working on wearable, data analytics and the Internet of Things (IoT), in 2018 through its investment arm Intel Capital. The Indian IoT industry is expected to be worth US\$ 15 billion and to connect 28 billion devices to the internet by 2022.

Government Initiatives

Some of the major initiatives taken by the government to promote IT and Bites sector in India are as follows:

Mr Ravi Shankar Prasad, Minister of Communication and Information Technology, announced plan to increase the number of common service centres or e-Suva centres to 250,000 from 150,000 currently to enable village level entrepreneurs to interact with national experts for guidance, besides serving as a e-services distribution point.

The Government of Telangana has signed an agreement with network solutions giant Cisco Systems Incorporation, to cooperate on a host of technology initiatives, including Smart Cities, Internet of Things, cybersecurity, education digitisation of monuments.

The Railway Ministry plans to give a digital push to the India Railways by introducing bar-coded tickets, Global Positioning System (GPS) based information systems inside coaches, integration of all facilities dealing with ticketing issues, Wi-Fi facilities at the stations, super-fast long-route train service for unreserved passengers among other developments, which will help to increase the passenger traffic.

The Pune Smart City Development Corporation (PSCDCL) has signed a memorandum of understanding (MOU) with the European Business and Technology Centre (EBTC), which will allow it to gain access to real-time knowledge of technologies, solutions and best practices from Europe.

The e-Tourist Visa (e-TV) scheme has been extended to 37 more countries thereby taking the total count of countries under the scheme to 150 countries.

Department of Electronics & Information Technology and M/s Can bank Venture Capital Fund Ltd plan to launch an Electronics Development Fund (EDF), which will be a 'Fund of Funds' to invest in 'Daughter Funds' which would provide risk capital to companies developing new technologies in the area of electronics, nana-electronics and Information Technology (IT).

The Human Resource Development (HRD) Ministry has entered into a partnership with private companies, including Tata Motors Ltd, Tata Consultancy Services Ltd and real-estate firm Hub town Ltd, to open three Indian Institutes of Information Technology (IIITs), through public-private partnership (PPP), at Nagpur, Ranchi and Pune.

Government of India is planning to develop five incubation centres for 'Internet of Things' (Riot) start-ups, as a part of Prime Minister Mr Narendra Modi's Digital India and Start up India campaign, with at least two centres to be set up in rural areas to develop solutions for smart agriculture.

The Government of India has launched the Digital India program to provide several government services to the people using IT and to integrate the government departments and the people of India. The adoption of key technologies across sectors spurred by the 'Digital India Initiative' could help boost India's Gross Domestic Product (GDP) by US\$ 550 billion to US\$ 1 trillion by 2025@@.

India and the US have agreed to jointly explore opportunities for collaboration on implementing India's ambitious Rs 1.13 trillion (US\$ 16.58 billion) Digital India Initiative. The two sides also agreed to hold the US-India Information and Communication Technology (ICT) Working Group in India later this year.

Road Ahead

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. Social, Mobility, Analytics and Cloud (SMAC) are collectively expected to offer a US\$ 1 trillion opportunity. Cloud represents the largest opportunity under SMAC, increasing at a CAGR of approximately 30 per cent to around US\$ 650-700 billion by 2022. The social media is the second most lucrative segment for IT firms, offering a US\$ 250 billion market opportunity by 2022. The Indian e-commerce segment is US\$ 12 billion in size and is witnessing strong growth

and thereby offers another attractive avenue for IT companies to develop products and services to cater to the high growth consumer segment.

1.2 COMPANY PROFILE

Domain2Host is on the basis of organizing and strengthening the ingredients of an establishment, the crucial factors responsible for driving the business objectives towards the goal.

It is formed with a devoted and composite team of professionally qualified, technically proficient, highly experienced members. Combining diverse expertise in business strategy, technology, usability and design, We produce highly scalable business solutions and online positive user experiences.

We emphasize a personal and professional relationship with our clients starting with the initial understanding of client business and requirement.

We provide offline and online Data processing and back office support, to create & implement complete IT Enabled Services.

We provide the total solutions by bringing together the team with a unified and cohesive approach.

Domain2Host's vision is to become a global master in the IT industry by rendering Quality Services and effective customer support / satisfaction.

About Technology

Application & Web Servers:

Apache Tomcat, BEA Web Logic Platform.

Relational Database Management Systems (RDBMS) :

MySQL, Oracle.

Programming Languages:

Java, C/C++ (including ANSI C, Managed C++, C++/CLI), Scripting Languages (JavaScript, VBScript, Perl, ASP, PHP, JSP, etc.)

Java Technologies: J2EE (EJB, JSP, JDBC, J2ME).

WEB Technologies:

HTTP/HTTPS, HTML/DHTML, XML, XSLT, CSS.

Interactive Design Tools:

Adobe Photoshop, CorelDraw (including Graphic Tools), Corel Photo Paint, Macromedia Flash 8.0.

Services

- Custom Software Development
- Application Development
- Web Application Development
- Enterprise Application Development
- Content Management System
- Ecommerce Solution
- Web Development
- Flash Development
- Web Marketing / SEO
- Software Maintenance
- Content Development Services

Content Writing

Words can create, words can destroy, words can bear revolution. Words express thoughts and emotions. If the right words are not used properly, it can lead to miscommunication. A content-rich website can create a noticeable difference in its ability to bring in traffic. Keyword rich, Innovative design, and understandable content contributes in making a website attractive. An interactive and well written website succeeds in inviting and retaining more traffic. We at Domain2Host are well aware of the importance of content writing and therefore we are trying to offer best quality content writing services at a competitive price.

Product Conceptualization:

Drive innovation, validate new product ideas, verify and prototype their potential for customers and investors.

Product Realization:

By combining your products ideas with our delivery capabilities, you can quickly reap time-to-value, offer a more complete product mix and thereby increase your market share and revenue.

Independent Quality Assurance & Testing:

Our Independent Test & Verification service improves quality and reliability of our clients products leading to higher client satisfaction and reduced support costs.

Product Maintenance & Customer Support:

Continuing support and maintenance for new, expanding, and retiring product lines help our clients to retain their customers

Product Migration & Software Porting:

Transition clients products between various platforms and designs helping them enhance their market reach and customer base

Professional Services:

Enhancing our clients service offering through a range of product implementation and support services including Installation, Customization, Integration .

Products

- CRM
- ERP
- SMS Package
- Static Website Development
- Dynamic Website Development
- Flash Website Development
- Online Web Applications
- Academic Projects

Software Development

Domain2Host is the fastest growing software development company in India, which offers a wide spectrum of software development services with high level of specialization and deliverable quality to its clients in India. We try hard to deliver superior quality and cost effective software development solutions to our clients on-time and giving quality outputs to complete customer expectations. Our mission is to enhance the customer satisfaction through providing quality software development services with a team of experienced software developers, who have won the trustworthiness from our clients. We provide software development services through a unique combination of expertise, experience, teamwork and strategic planning.

Website Development

Domain2Host is one of the leading and rapidly growing website designing company offering the best and most affordable services like e-commerce web solution, flash web design, custom web design and graphics design for global customers. We deliver high quality web designing services through our motivated and qualified specialist teams which is focused on exceeding clients expectations every time. We have a team of expert web designer, who have excellent web designing skills to create unique and attractive websites.

Our Latest Web Designing Process

Discovery - Understanding your web site goals and audience.

Planning - Establishing timelines, deliverables, and development solutions.

Content Architecture - Planning your website content and structure.

Design - Creating and refining interface and graphic design elements.

XHTML Conversion - After design approved from client side start Coding.

Development - Bringing it all together.

Testing - Testing your web site in multiple browser environments.

Our software Development Process :

- The first step in software development is analysis. Our Team will make research on the kind of business including the specific needs to achieve your goals. This way, we will be able to establish the perfect software model to be used, that has a tried-and-tested efficiency.
- After the analysis, the crucial phase comes, when software is designed. In this Phase, the software is put together according to your requirements. It is a very Important step as it is the heart and soul of the whole software development Process.
- After designing, coding is the next step. In this step, Internet programming languages are put in the equation. It is a highly technical phase but is quite simple with professionals like us. This is main step where Java codes and PHP are created.
- Trial period is the fourth step in software development. In this step, Software engineer as well as the client come together to see if the goals were met. The software developer will test the codes and the design if they are working and if They really suit the requirements of the possible end-users providing great satisfaction to the customer.

- After testing, the software is set to run. The work will be continuing until software is done. We are willing to provide effective solutions to keep you using the software effectively

1.3 NEED FOR THE STUDY

Financial analysis is a powerful mechanism which helps in ascertaining the strengths and weakness in the operation and financial position of an enterprise. Financial analysis is the starting point for making plans, before using any sophisticated forecasting and planning procedures. This study helps to understand financial position of the company. This study suggests possible solution to overcome working capital problem. The financial statements need to evaluate a company's profitability, liquidity, and solvency. The most common methods used for financial statement analysis are trend analysis, common-size statements, and ratio analysis. These methods include calculations and comparisons of the results to historical company data, competitors, or industry averages to determine the relative strength and performance of the company being analysed.

1.4 Statement of the problem

Comparability between periods. The company preparing the financial statements may have changed the accounts in which it stores financial information, so that results may differ from period to period. For example, an expense may appear in the cost of goods sold in one period, and in administrative expenses in another period.

Comparability between companies. An analyst frequently compares the financial ratios of different companies in order to see how they match up against each other. However, each company may aggregate financial information differently, so that the results of their ratios are not really comparable. This can lead an analyst to draw

incorrect conclusions about the results of a company in comparison to its competitors.

1.5 OBJECTIVES OF THE STUDY:

Primary Objectives:

1. To ascertain financial statement analysis of Domain2Host

Secondary Objectives :

1. The liquidity position of the company.
2. To study the profitability performance of company through comparative analysis.

1.6 SCOPE OF THE STUDY

The project is pertained to the company data available for the past five years. The conclusions are drawn from the analysis done with the ratios, comparative, common size study. The study elucidates the financial position of the company with respect to the past five years. It helps the company to place itself among various other competitive companies.

The study through the analysis reveals the pros and cons of the company financial status. It enables the reader to understand the various financial aspects of a company through uncomplicated interpretation and findings for study purpose.

1.7 LIMITATIONS OF THE STUDY

The limitations of the study are as follows

1. The study is covered only to the past financial performance of Domain2Host
2. Some of the data has not given by the company due to maintenance of financial secrecy.
3. The period of the study is restricted to 5 years
4. 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 II

2.1 REVIEW OF LITERATURE

Jagan Mohan Rao (1993)¹In „Financial appraisal of Indian Automotive Tyre Industry" studied the financial appraisal of Indian Automotive tyre industry. The study was intended to probe into the financial Condition-financial strength and weakness- of the Indian tyre industry. To this End a modest attempt has been made to measure and evaluate the financial. Performance through inter-company and inter-sectoral analysis over a given Period of time (1981-1988). The main findings are that fixed assets utilisation In many of the tyre undertakings was not as productive as expected and Inventory was managed fairly well. The tyre industry's overall profit Performance was subjected to inconsistency and ineffective.

Kallu Rao (1993)²Has made a study of inter company financial Analysis of tea industry-retrospect and prospect. An attempt has been made in Analysis This study to analyse the important variables of tea industry and projected Future trends regarding sales and profit for the next 10 year periods, with a View to help the policy makers to take appropriate decisions. Various Financial ratios have been calculated for analyzing the financial health of the Industry. The forecast of sales and profits of tea manufacturing companies Shows that the Indian tea industry has bright

prospects. The recent changes in The Indian economic policies will boost up the foreign exchange earnings, Which will benefit those companies, which are exporting to hard currency . Areas.

Pai, Vadivel and Kamala (1995)³Studied the diversified companies And financial performance: A study. An effort was made to study the Relationship between diversified firms and their financial performance. Seven Large firms having different products-both related and otherwise-in their Portfolio and operating in diverse industries were analyzed. A set of performance measures / ratios was employed to determine the level of Financial performance. The results reveal that the diversified firms studied Have been healthy financial performance. However, variation in performance From one firm to another has been observed and statistically established.

In RBI study (1995)⁴An attempt was made to study the financial Performance of private corporate business sector during the period 1994-95. Of the 1030 companies covered in this study, 925 are non-financial Companies and 105 are financial companies. The results of the non-financial And financial companies are also analyzed size-wise apart from the analysis of The consolidated results for the entire sector. The good corporate performance During 1994-95 reflected in major profitability ratios registering distinct Improvement in the year under review as compared to the previous year.

Vijayakumar (1996)⁵In „Assessment of Corporate Liquidity – a Discriminant analysis approach“ has revealed that the growth rate of sales, Leverage, current ratio, operating expenses to sales and vertical integration are The important variables which determine the profitability of companies in the Sugar industry. Further, the author has studied the short-term liquidity position In twenty-eight selected sugar factories in co-operative and private sectors. A Discriminant analysis has been undertaken to distinguish the good risk Companies from poor risk

companies based on current and liquidity ratios. Discriminating „Z“ scores have been calculated with the help of discriminant Function and according to the „Z“ scores the companies are ranked in the order Of liquidity.

Joanne Loundes (1998)⁶In his study examined performance of Australian Government Trading Enterprises:- An overview. Assessing the Performance of Government Trading Enterprises (GTEs) has become Increasingly important in the context of the push towards privatisation. This Paper provides 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). The results Indicate that there are large differences in performance across firms, and more Particularly, across the industries.

Raj S. Dhankar (1998)⁷Has given a new look at the criteria of Performance measurement for business enterprises in India-a 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. Realizing The importance and controversy of public sector in India, an attempt was made To measure the performance of all public sector undertakings, which were Started up to 1964 and were in operation until 1983. It is shocking to know That half of them on an average want to talk of making excess returns, have Not been able to earn equal to their cost of capital.

Key Sengupta (1998)⁸Studied the performance of the fertilizers Industry in India. Analysis of cost functions and cobb-douglas production Function have been made to study the performance of the industry, the results Of which reveal that the industry is subject to the law of increasing costs. The Findings get further support from the examination of the production function, Which reveals that the average productivity

of labour exceeds its marginal Productivity. 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 behavioral Tendency of the firms belonging to the fertilizers industry. Raghunathan and Prabina Das (1999)⁹ Have made a study of the Corporate performance of post-Liberalization. In this study, they analyzed the Performance of Indian Manufacturing sector in the last 8 years since Liberalization on the parameters of profitability, liquidity, leverage and level.

Brigham and Houston, 2000 However the picture changes when uncertainty (i.e. uncertain growth) is introduced (Larger amounts of cash, securities, accounts receivables, marketable securities, inventories, and fixed assets will be needed to support increased sales Required levels will be based on expected sales levels and expected order lead times. Additional holdings may be needed to enable the firm to deal with departures from the expected values. Further, firms will also attempt to increase their accounts payable balances as a means of financing increased levels of current operating assets. Firms which are in high growth stages will face the challenge of maintaining the necessary level of operating assets to support subsequent growth, while at the same time attempting to maintain adequate performance indicators.

This study focuses on understanding how IPO companies manage their working capital and other balance sheet items to support subsequent growth. This study supports the existing literature on working capital and contributes to the existing literature by examining a sample of firms (i.e. recent IPO firms) which have a wider range of growth levels than non-IPO firms. Our study examines the impact of working capital management on the operating performance and growth of new public companies. The study also examines these relationships under three categories of growth (i.e. negative growth, moderate growth, and high growth). The study also examines other selected firm characteristics in light of working capital management: firm operating and financial risk, amount of debt, firm size, and industry.

Lyrودي & Lazaridis, 2006 use food industry Greek to examined the cash conversion cycle as a liquidity indicator of the firms and tries to determine its relationship with the current and the quick ratios, with its component variables, and investigates the implications in terms of profitability, indebttness and firm size. The results of their study indicate that there is a significant positive relationship between the cash conversion cycle and the traditional liquidity measures of current and quick ratios. The cash conversion cycle also positively related to the return on assets and the net profit margin but had no linear relationship with the leverage ratios. Conversely, the current and quick ratios had negative relationship with the debt to equity ratio, and a positive one with the times interest earned ratio. Finally, there is no difference between the liquidity ratios of large and small firms.

Peterson and Rajan, 2006Working capital policy refers to the firm's policies regarding 1) target levels for each category of current operating assets and liabilities, and 2) how current assets will be financed. Generally good working capital policy (i.e. under conditions of certainty) is considered to be one in which holdings of cash, securities, inventories, fixed assets, and accounts payables are minimized. The level of accounts receivables should be used as a means of stimulating sales and other income. Previous literature on working capital management has found a negative association, overall, between level of working capital and operating performance as measured by operating returns and operating margins (. Under conditions of certainty (i.e. sales, costs, lead times, payment periods, and so on, are known), firms have little reason to hold more working capital than a minimum level. Larger amounts would increase the level of operating assets, increase the need for external funding, resulting in lower return on assets and a lower return on equity, without any increase in profit.

(Peterson and Rajan, 2006An underlying theme of this study is that high growth certainly does not ensure high operating performance. Consistent with prior research) this study provides further evidence that good working capital management is positively associated with better operating performance. levels of

accounts receivable are associated with higher operating performance, in all three of the growth rate categories. The study also finds that maintaining control over levels of cash, securities, inventory, fixed assets, and accounts payables is associated with higher operating performance. We find that firms which are experiencing very high growth will hold higher levels of cash, securities, inventory, fixed assets, and accounts payable to support the high growth. The study suggests that these firms are sacrificing operating performance (accepting lower operating returns) to support the high growth. This, in turn, increases financial and operating risk for these firms. Perhaps IPO firms should stay more focused on their operating performance, while maintaining more moderate growth levels.

Shin & Soenen, 2007 consistent with later study on the same objective that done by (Deloof, 2003) by using sample of 1009 large Belgian non-financial firms for the period of 1992-1996. However, (Deloof, 2009) used trade credit policy and inventory policy are measured by number of days accounts receivable, accounts payable and inventories, and the cash conversion cycle as a comprehensive measure of working capital management. He founds a significant negative relation between gross operating income and the number of days accounts receivable, inventories and accounts payable. Thus, he suggests that managers can create value for their shareholders by reducing the number of days accounts receivable and inventories to a reasonable minimum. He also suggests that less profitable firms wait longer to pay their bills.

1 In the article of financial analysis Dr.Kamm, Department of Finance. GSB

Financial Analysis is designed for finance majors in order to improve their skills at analyzing companies and to advance their knowledge of finance theory and application. The overall financial analysis includes: bond valuation, financial statement analysis, financial ratios, financial forecasting, beta and the CAPM, the weighted average cost of capital, the Gordon Growth model, discounted cash flow analysis and multiples. Students are expected to integrate skills of finance, economics, and accounting in the course. The course is quantitative and analytical

in nature; we made use of the trading center throughout most of the term. Students calculate and interpret financial data, build spreadsheet models, and make general conclusions about the financial health of a company and its intrinsic value.

. Financial Statements why its important for all business? By: john irron

Posted: Jun 15, 2016

Financial statements are a formal record of the financial activities of a business, person, or other thing. Financial statements like a written statement which quantitatively describes the financial strength of a company. This includes an income statement and a balance sheet, and regularly also includes a cash flow statement. Financial statements are regularly compiled on a quarterly and yearly basis.

Financial statements are important futures for each and every business. For a business venture, all the appropriate financial information, offered in a structured way and in a form simple to understand, are called the financial statements.

The purpose of financial statements is to give information regarding the financial situation, performance and changes in financial situation of a venture that is helpful to a wide range of users in making financial decisions. Financial statements should be comprehensible, appropriate, reliable and comparable. Reported property, liabilities and equity are directly connected to an organization's financial situation. Reported income and operating cost are directly connected to an organization's financial performance.

. THE PROFESSION OF PROFESSIONAL Financial Analysis By: Abdullah

Mohammad Khan WAHID Post on: October 4, 2016.

A financial analysis is responsible for a wide range of functions such as account processing payable and receivable operations, taking into account the transfer of assets and the closing of the books as soon as possible. Properly fulfill these

functions is essential for a company, on the basis of precise handling operations and accurate financial statements. These activities are clearly on the basis of any successful career in financial analysis. However, the organizer has exceptional skills in analyzing appropriate funding for success.

This article was calculated to facilitate analysis financial support for a breadth and depth of the largest financial analysis.

Traditionally the main objective of the accounting department has been processing transactions, customer billing, payments to suppliers, etc. These are routine activities that are invisible, but vital. Most employees of the company, but it is always necessary for the success of an organization.

However, the role of accounting staff that has been changed companies facing increasing competition from organizations around the world. Now, managing a business needs advice and transaction flow smoothly. Accordingly, the financial analyst is not only to fill the role of traditional transaction processing, but also to continue to review company operations, evaluating investments, relationship problems and recommendations for management, and respond to requests by the management team of Special Investigations. All these new tasks can be considered as financial analysis, because require the application of review procedures for operational activities and financial investment in a company.

Financial Statement Analysis By: Rashid Javed

Posted: Jan 19, 2018

All financial statements are essentially historically historical documents. They tell what has happened during a particular period of time. However most users of financial statements are concerned about what will happen in the future.

Stockholders are concerned with future earnings and dividends. Creditors are concerned with the company's future ability to repay its debts. Managers are concerned with the company's ability to finance future expansion. Despite the fact that financial statements are historical documents, they can still provide valuable information bearing on all of these concerns.

Financial statement analysis involves careful selection of data from financial statements for the primary purpose of forecasting the financial health of the company. This is accomplished by examining trends in key financial data, comparing financial data across companies, and analyzing key financial ratios.

2.2 THEORETICAL REVIEW

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

ABSOLUTE LIQUIDITY RATIO

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

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

WORKING CAPITAL 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 ratio = Net sales / Working Capital

DEBT EQUITY RATIO

The debt-equity ratio is a measure of the relative contribution of the creditors and shareholders or owners in the capital employed in business. Simply stated, ratio of the total long term debt and equity capital in the business is called the debt-equity ratio.

Debt equity ratio = long term debt /shareholders fund

DEBT TO TOTAL CAPITAL RATIO

The debt-to-capital ratio is a measurement of a company's financial leverage. The debt-to-capital ratio is calculated by taking the company's interest-bearing debt, both short- and long-term liabilities and dividing it by the total capital. Total capital is all interest-bearing debt plus shareholders' equity, which may include items such as common stock, preferred stock, and minority interest.

Debt to total capital ratio = debt / share holder fund + debt

DEBT TO TOTAL ASSET RATIO

Total-debt-to-total-assets is a measure of the company's assets that are financed by debt rather than equity. When calculated over a number of years, this leverage ratio shows how a company has grown and acquired its assets as a function of time.

Investors use the ratio to evaluate whether the company has enough funds to meet its current debt obligations and to assess whether the company can pay a return on its investment.

Debt to total asset ratio = total debt / total asset

PROPRIETARY RATIO

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

Proprietary ratio = Net worth / Total Assets

DEBTORS TURNOVER RATIO

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

Debtors turnover ratio = Net sales / Average debtors.

FIXED ASSET RATIO

Fixed Assets ratio is a type of solvency ratio long-term solvency which is found by dividing total fixed assets (net) of a company with its long-term funds. It shows the amount of fixed assets being financed by each unit of long-term funds.

It helps to determine the capacity of a company to discharge its obligations towards long-term lenders indicating its financial strength and ensuring its long-term survival.

Fixed asset ratio = fixed asset / long term fund

FIXED ASSET NET WORTH RATIO

Fixed assets to net worth is a ratio measuring the solvency of a company. This ratio indicates the extent to which the owners' cash is frozen in the form of fixed assets, such as property, plant, and equipment, and the extent to which funds are available for the company's operations

Fixed asset net worth ratio = fixed asset / share capital fund

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 performance of the enterprise but also highlights the strengths and weaknesses of the enterprise

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

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

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.

COMPARETIVE 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 years event, it is possible to determine where expenses increased or decreased

Comparative balance sheet helps to how to plan the following years 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.

CHAPTER III

3.1 RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problem. It may be understood as a science of study how research is done scientifically. In this study the various steps that are generally adopted by the researcher in studying his research problem along with the logic behind them.

3.2 Research design

The proposed study is of DESCIRPTIVE IN NATURE. Research design is needed because it facilitates the smooth sailing of the various research operations, thereby

making research as efficient as possible. A research design for a particular problem usually involves the consideration of the following factors.

3.3 SOURCE OF DATA

SECONDARY DATA

The Secondary have been collected from company annual report, journal, magazine, and website.

3.4 TOOLS USED FOR STUDY

The following are major tools used in analysis and interpretation.

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

CHAPTER IV

DATA ANALYSIS AND INTERPRETATION

4.1 CURRENT RATIO (in lacks)

Table 4.1

Years	Current asset	Current liability	Current Ratio (in time)
2015-2016	2579.05	833.62	3.09
2016-2017	3397.43	1106.98	3.06
2017-2018	3498.32	803.37	4.35
2018-2019	3819.01	1052.48	3.63
2019-2020	3934.08	809.15	4.86

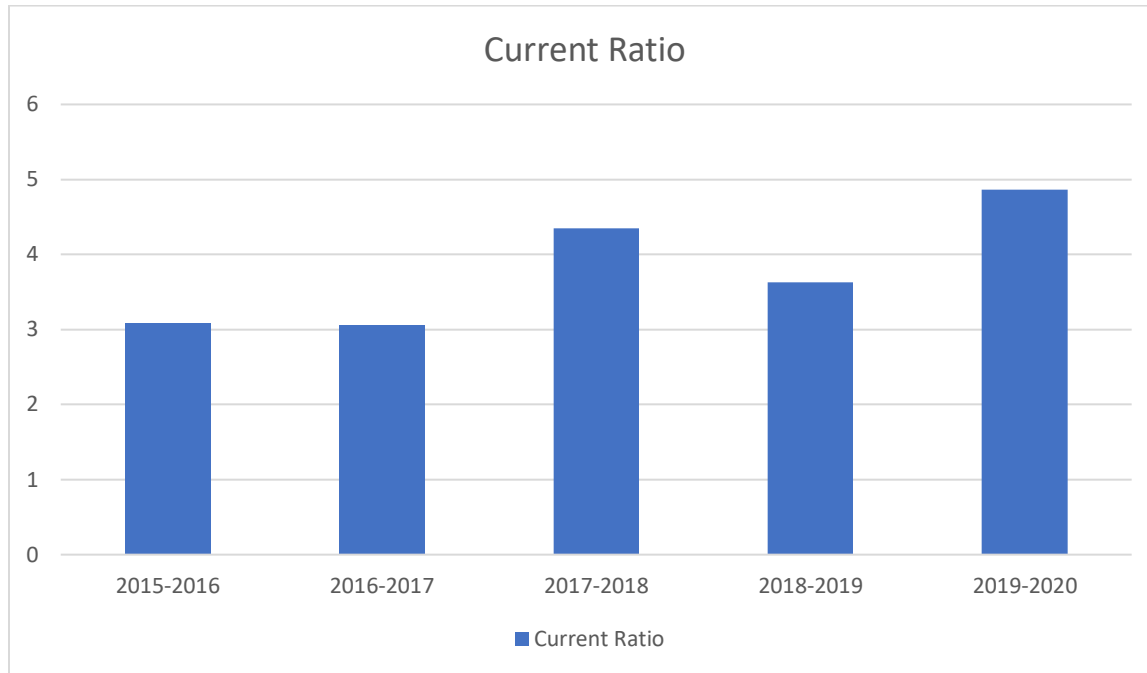
source: company annual report 2015-2016 2019-2020

SIGNIFICANCE

It shows that current ratio was high in the year 2020 with 4.86 and low in the year 2016 with 3.09. The current year (2020) current ratio is found to be the highest (4.89) due to the decrease in the liabilities.

From the above table and chart the current ratio of the company is fluctuating in manner. Although the company has an increasing current assets the current liabilities is also fluctuating. Proper steps should be taken as such the ratio is less than 2 the company may get difficult in paying the creditors.

CHART : 4.1



4.2 ABSOLUTE LIQUIDITY RATIO(in lacks)

Table 4.2

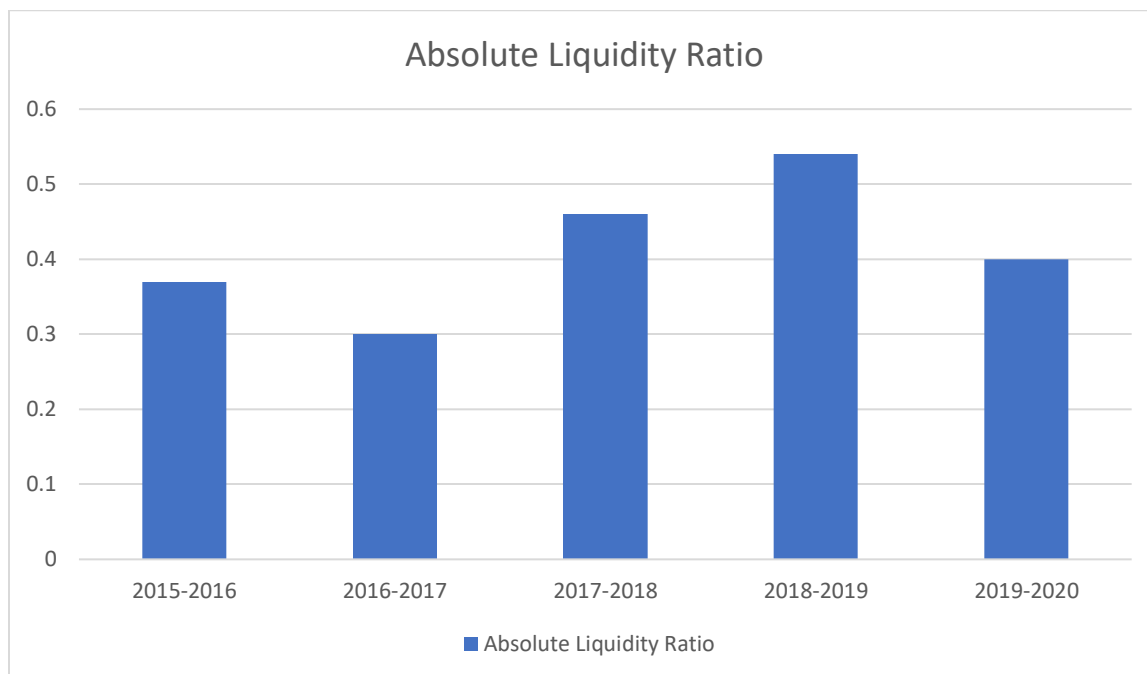
Years	Cash- company	Current liability	Liquidity ratio (in time)
2015-2016	309.21	833.62	0.37
2016-2017	333.28	1106.98	0.30
2017-2018	367.75	803.37	0.46
2018-2019	566.37	1052.48	0.54
2019-2020	324.46	809.15	0.40

Source: company annual report 2015-2016 2019-2020

SIGNIFICANCE

From the table, it is inferred that the absolute liquidity ratio is high in the years 2018 and 2020 with 0.40 and low in the year 2016 with 0.37. The current year (2020) cash position ratio has increased to 0.40 when compared to the previous year 2019 with 0.54.

Chart 4.2



4.3 WORKING CAPITAL RATIO (in lacks)

Table 4.3

Years	Current asset- current liability	Total asset	Working capital Ratio(in time)
2015-2016	1745.85	7215.26	0.24
2016-2017	2290.45	9644.32	0.24
2017-2018	2694.95	10534.14	0.26
2018-2019	2766.53	12237.36	0.23
2019-2020	3124.93	13355.19	0.23

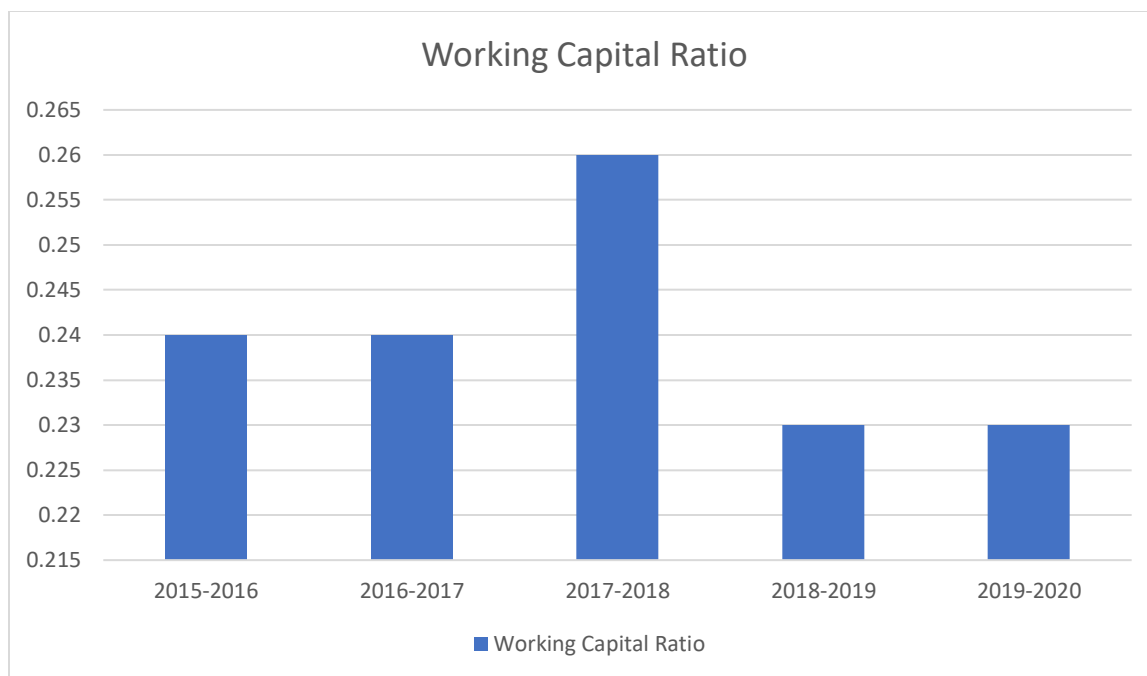
Source: company annual report 2015-2016 2019-2020

Significance:

From the above table it is found that the dividend payout ratio is found to be high in the year 2019 with 0.23 and low in the years 2016, 2017 and 2020 with 0.24. The current year 2020 dividend payout ratio is found to be decreasing with 0.23 when compared to the previous year.

In the year 2018 the dividend pay-out ratio was declined from its preceding year. And again in the year 2020 it declined. The company is more concerned to increase its amount of reserve & surplus. Overall I can say that it is a good strategy for future contingencies, growth & arrange finance for its ongoing projects from its internal sources.

CHART 4.3



4.4 DEBT EQUITY RATIO (in lacks)

Table 4.4

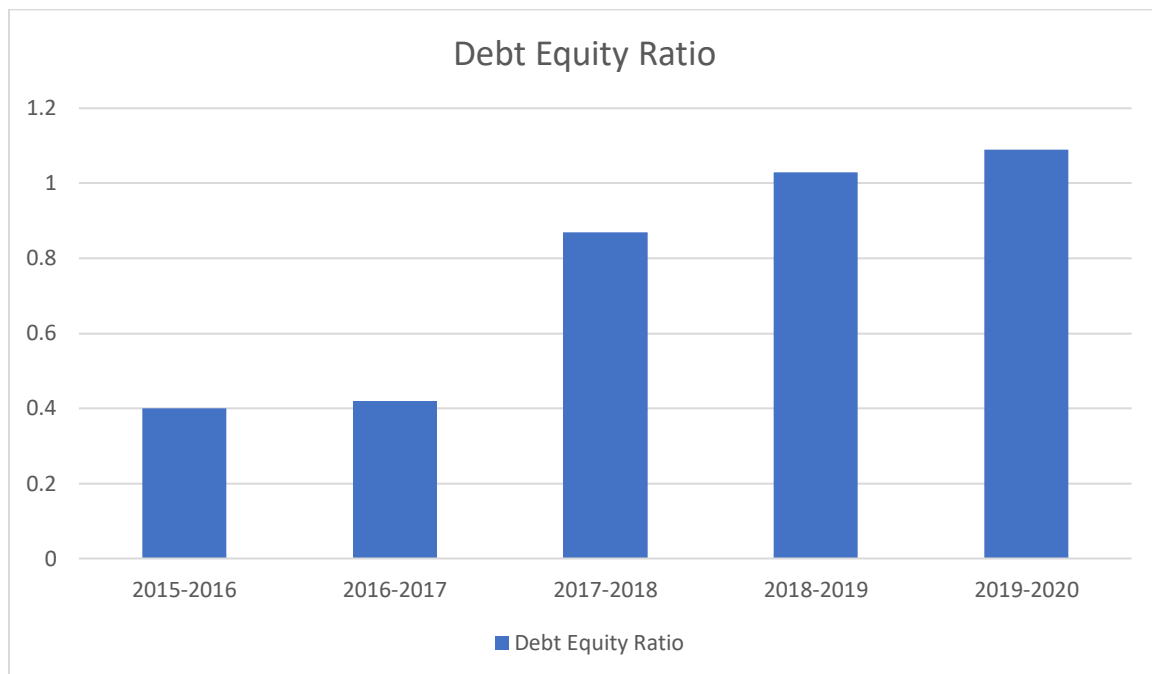
Years	Total long term debt	Share holder fund	Debt-equity ratio(time)
2015-2016	437.2741	1086.3147	0.40
2016-2017	457.1368	1086.3488	0.42
2017-2018	950.116	1086.3488	0.87
2018-2019	1115.6896	1086.35	1.03
2019-2020	1190.0557	1086.7104	1.09

Source: company annual report 2015-2016 2019-2020

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 2020 the debt equity ratio is higher which means that the company is having a higher leverage

CHART 4.4



4.5 Debt to total assets ratio (in lacks)

Table 4.5

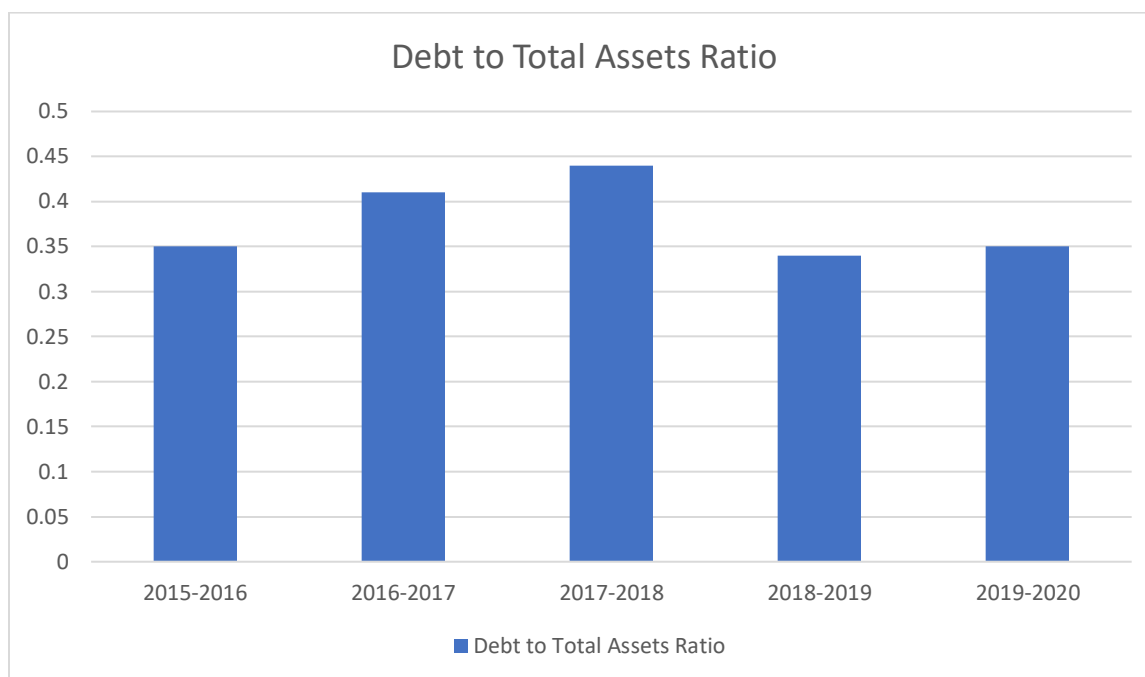
Year	Total debt	Total assets	Debt to total assets ratio (in time)
2015-2016	2505.38	7215.26	0.35
2016-2017	3976.68	9644.32	0.41
2017-2018	4656.14	10534.14	0.44
2018-2019	4193.42	12237.36	0.34
2019-2020	4722.64	13355.19	0.35

Source: company annual report 2015-2016 2019-2020

INFERENCE:

This enables comparisons of leverage to be made across different companies. The higher the ratio, the higher the degree of leverage, and consequently, financial risk. This is a broad ratio that includes long-term and short-term debt (Long term Borrowings maturing within one year), as well as all assets tangible and intangible. The debt to total asset ratio is higher for the last 3 years this shows that the company has a higher degree of leverage

CHART 4.5



4.6 PROPRIETARY RATIO (in lacks)

Table 4.6

Years	Share holder fund	Total assets	Proprietary ratio(in time)
2015-2016	1086.3147	7215.26	0.15
2016-2017	1086.3488	9644.32	0.11
2017-2018	1086.3488	10534.14	0.10
2018-2019	1086.35	12237.36	0.09
2019-2020	1086.7104	13355.19	0.08

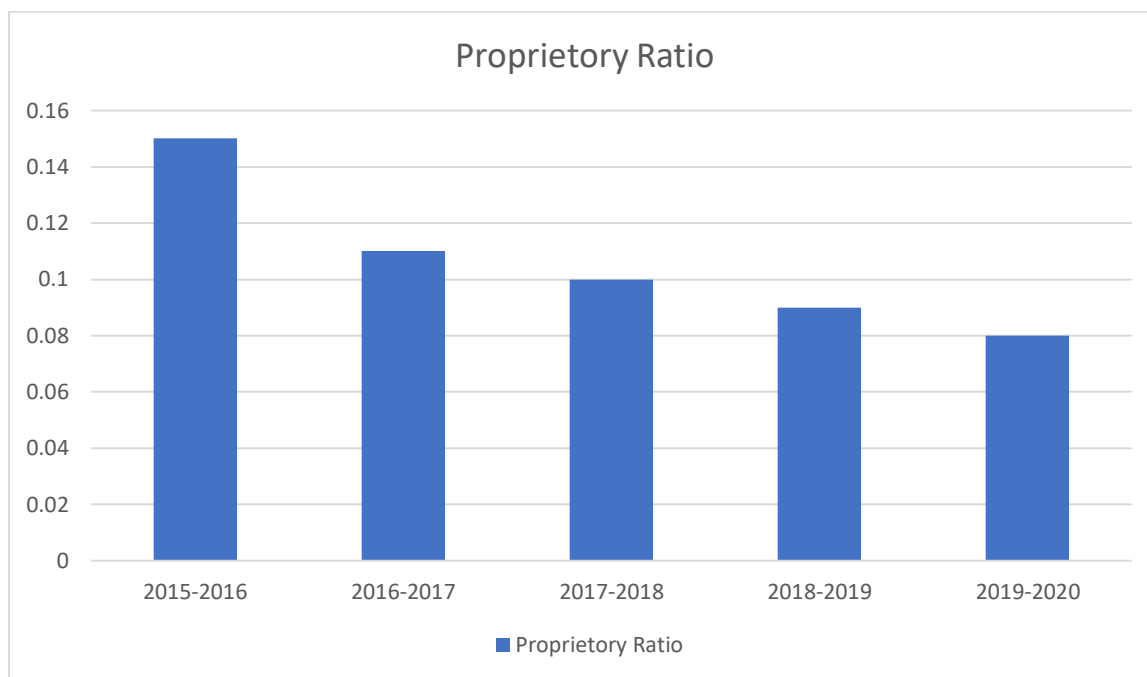
Source: company annual report 2015-2016 2019-2020

SIGNIFICANCE

It shows that proprietary ratio was high in the year 2016 with 0.15 and low in the year 2019 with 0.09. Thus, it can be said that the company is maintaining the long term solvency. The current year (2020) proprietary ratio is found to be 0.08. it is in a decreasing position.

The Proprietary ratio which shows the relationship between the shareholders funds to total tangible assets. The ratio is in the decreasing manner due to the fluctuation in the total assets.

CHART 4.6



4.7 FIXED ASSET RATIO (in lacks)

Table 4.7

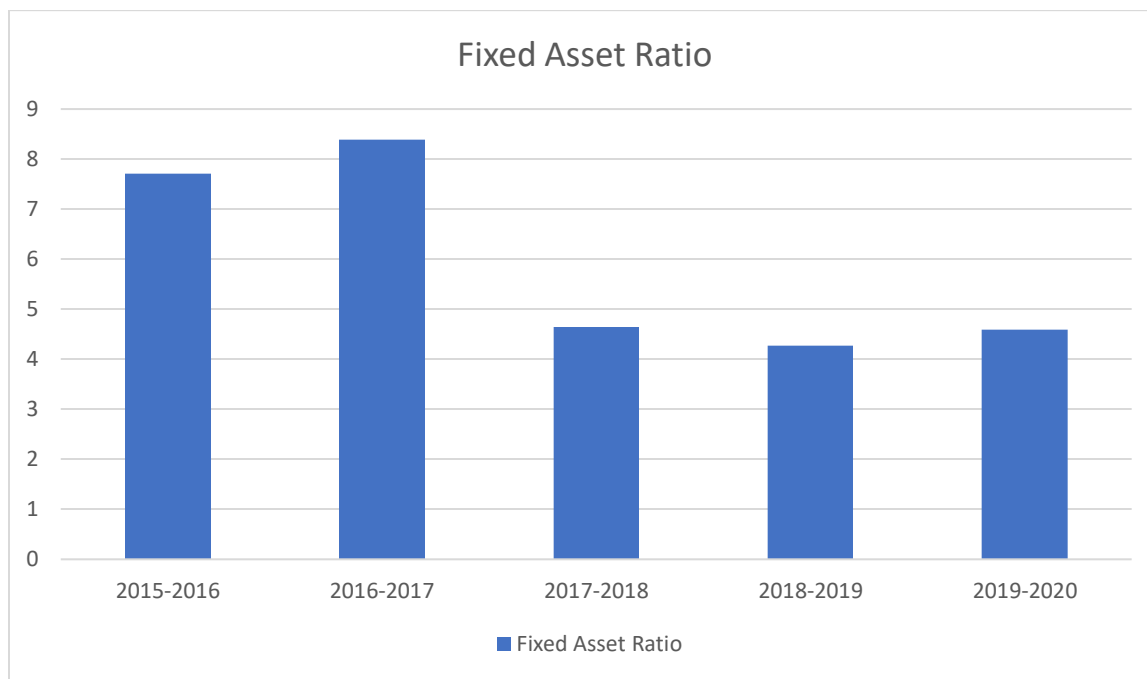
Years	Fixed asset	Long term fund	Fixed asset ratio (in time)
2015-2016	33.73	437.2741	7.71
2016-2017	38.38	457.1368	8.39
2017-2018	44.13	950.116	4.64
2018-2019	47.64	1115.6896	4.27
2019-2020	54.64	1190.0557	4.59

Source: company annual report 2015-2016 2019-2020

INFERENCE:

From the above chart it is inferred that the company has invested same amount in both long term fund and the fixed asset. Even though the current year (2020) fixed assets are in the decreasing rate that the ratios are equal to 4.59.. This means that the company fixed asset position is satisfactory.

CHART 4.7



4.8 GROSS PROFIT RATIO (in lacks)

Table 4.8

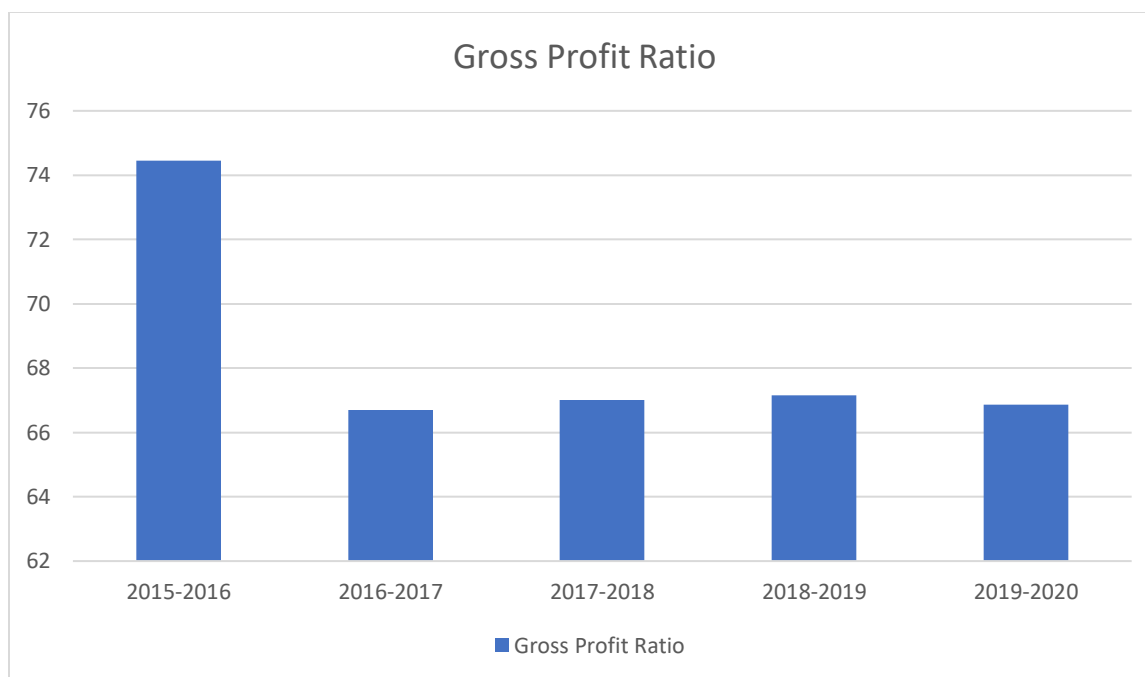
Year	Gross profit	Net sales	Gross profit ratio %
2015-2016	6156.42	8235.32	74.46
2016-2017	6231.12	9342.15	66.69

2017-2018	6312.31	9421.02	67.00
2018-2019	6402.07	9532.07	67.16
2019-2020	6514.42	9742.52	66.86

INTERPRETATION

The ratio indicates the efficiency of production or trading operations. In 2014 the gross profit margin was 74.46% In 2015 and 2016, the gross profit margin was 66.69%and 0.34 used

Chart 4.8



4.9 NET PROFIT RATIO (in lacks)

Table 4.9

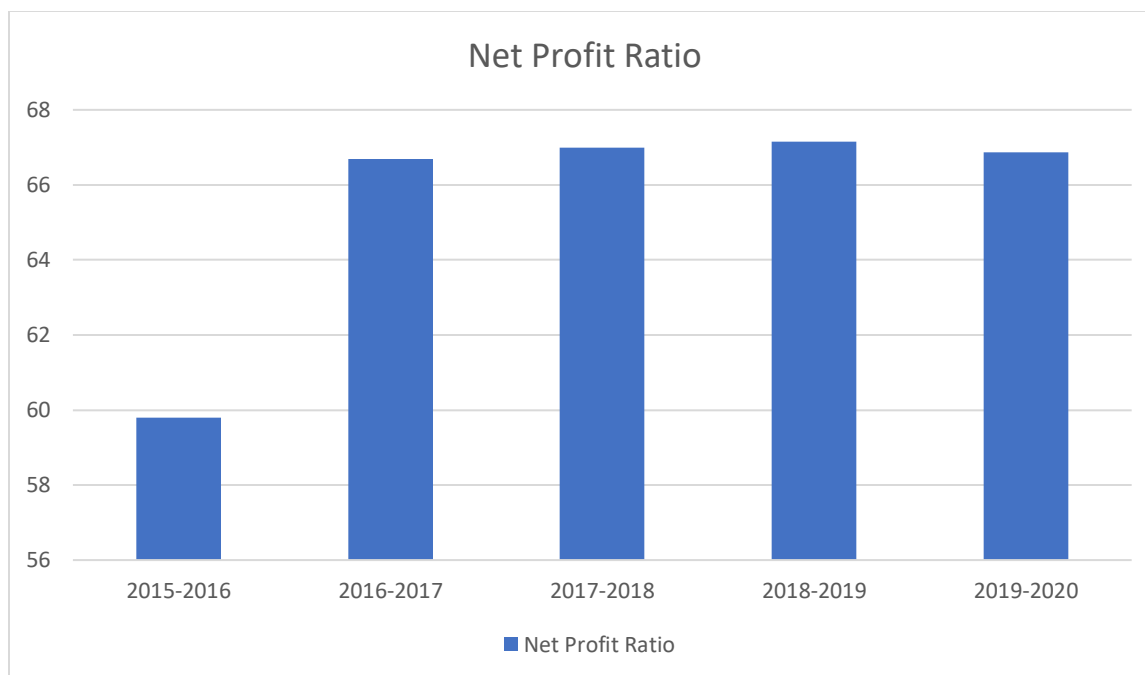
Year	Net profit	Net sales	Net profit ratio %
2015-2016	4925.136	8235.32	59.80

2016-2017	6231.12	9342.15	66.69
2017-2018	6312.31	9421.02	67.00
2018-2019	6402.07	9532.07	67.16
2019-2020	6514.42	9742.52	66.86

INTERPRETATION

In 2016, the company having 59.80% of net profit. In 2017 and 2018, the company having 66.69% and 67.00% of Net Profit. In 2017, The Company Profit Decrease in 2019 and The company profit increase in 2020.

Chart 4.9



4.10 OPERATING PROFIT RATIO (in lacks)

Table 4.10

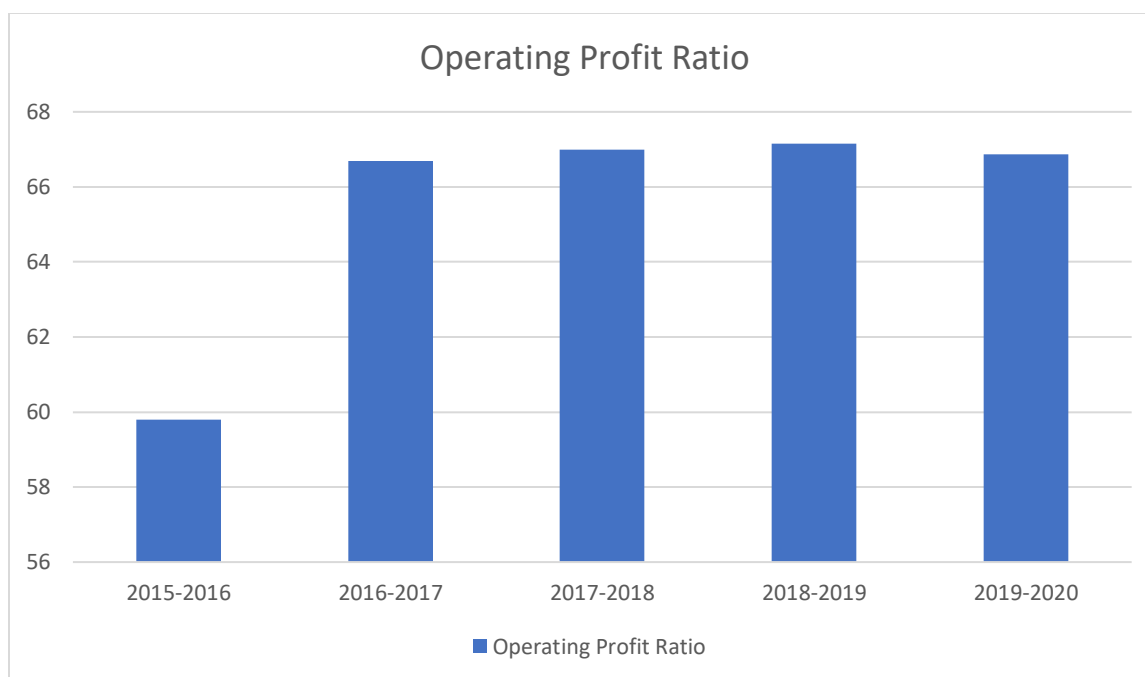
Year	Operating expenses	Net sales	Operating profit ratio %
2015-2016	4925.136	8235.32	59.80

2016-2017	6231.12	9342.15	66.69
2017-2018	6312.31	9421.02	67.00
2018-2019	6402.07	9532.07	67.16
2019-2020	6514.42	9742.52	66.86

INTERPRETATION

In 2016 the company having 59.80of operating profit. In 2017 and 2018, the company having 66.69 and 67.00of operating profit. In 2017, the company profit increase 2019and the company profit decrease in 2020.

Chart 4.10



4.11 RETURN ON CAPITAL (in lacks)

Table 4.11

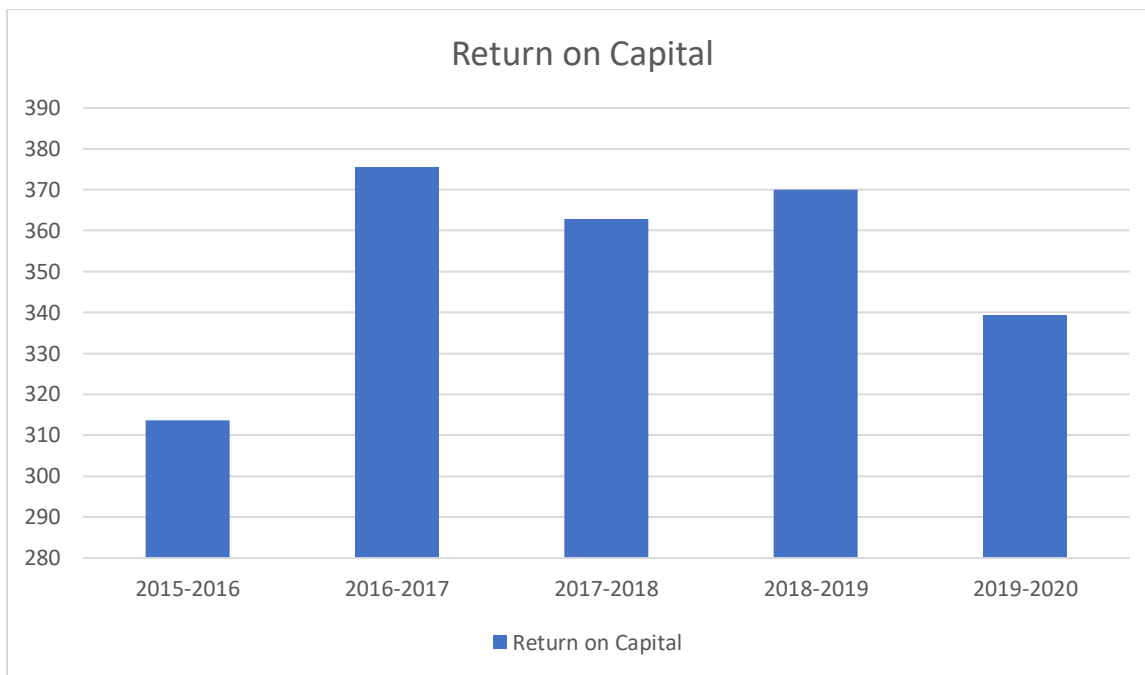
Year	Net profit	Capital employed	Return on capita l%
2015-2016	4925.136	1570.32	313.64

2016-2017	6231.12	1659.48	375.48
2017-2018	6312.31	1739.48	362.88
2018-2019	6402.07	1729.86	370.09
2019-2020	6514.42	1919.51	339.37

INTERPRETATION

In 2016 the company having 244.15 of return on capital. On profit 2017 and 2018, the company having 375.48 and 362.88 return on capital.in 2017 ,the company profit increase in 2019 and the company profit decrease 2020 .

Chart 4.11



4.12 FIXED ASSET TURNOVER RATIO (in lacks)

Table 4.12

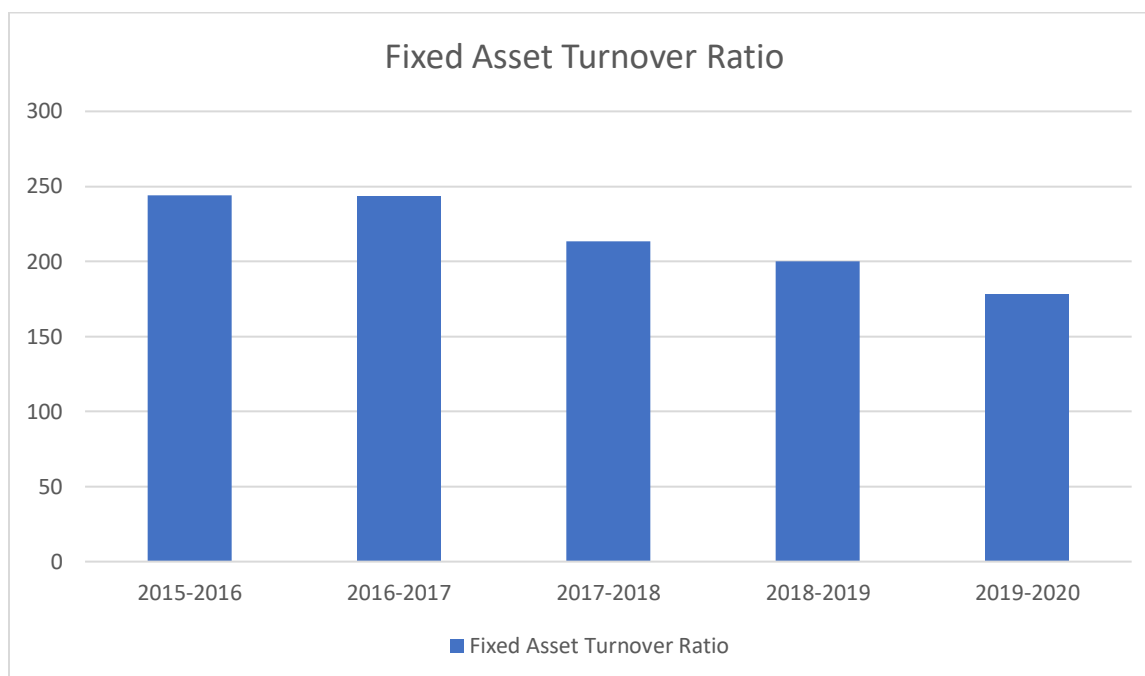
Year	Net sales	Fixed asset	Fixed asset turnover ratio(in time)

2015-2016	8235.32	33.73	244.15
2016-2017	9342.15	38.38	243.41
2017-2018	9421.02	44.13	213.48
2018-2019	9532.07	47.64	200.08
2019-2020	9742.52	54.67	178.21

INTERPRETATION

A higher Fixed-asset turnover ratio is more favourable compared with a lower ratio. Analysis of fixed assets turnover ratio reveals that it is decreasing in the last year signifying that there is an improvement in the utilization of resources.

Chart 4.12



4.13 DEBTORS TURNOVER RATIO (in lacks)

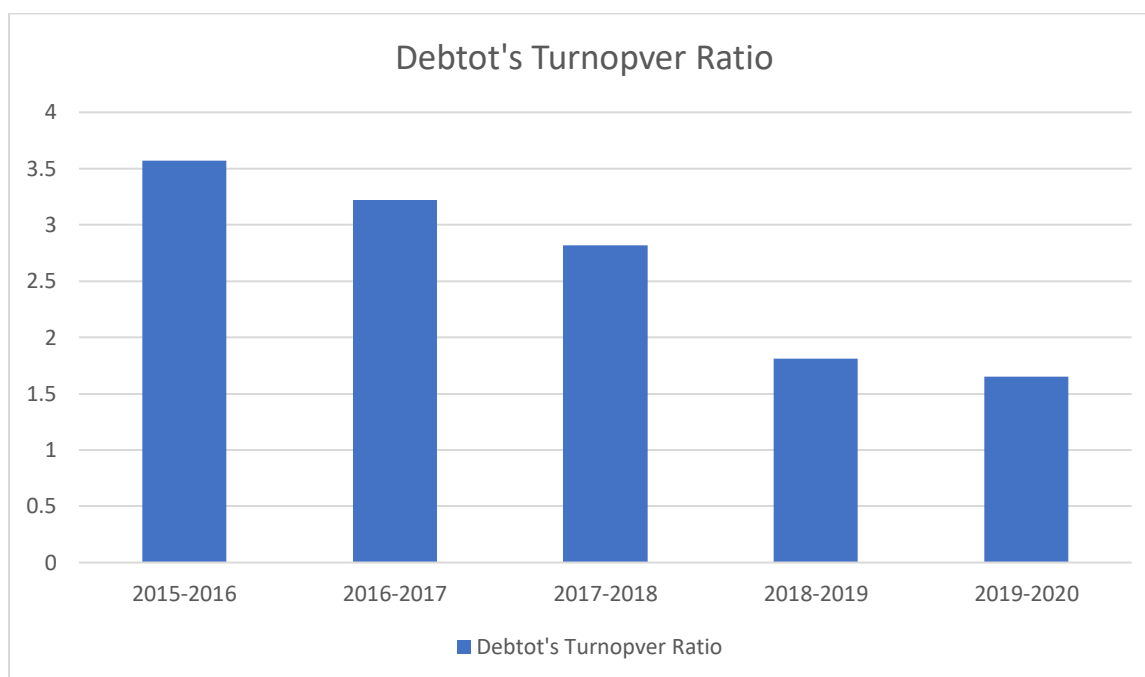
Table 4.13

Year	Net sales	Average debtors	Debtors turnover ratio(in time)
2015-2016	8235.32	2305.925	3.57
2016-2017	9342.15	2901.18	3.22
2017-2018	9421.02	3335.135	2.82
2018-2019	9532.07	5261.6	1.81
2019-2020	9742.52	5903.885	1.65

INTERPRETATION

A higher debtors turnover ratio is more is more favourable compared with a higher ratio. Analysis. if debtors turnover ratio reveal that it is decreasing in the last year signifying that there is an improvement in the utilization of .

Chart 4.13



4.14 WORKING CAPITAL TURNOVER RATIO (in lacks)

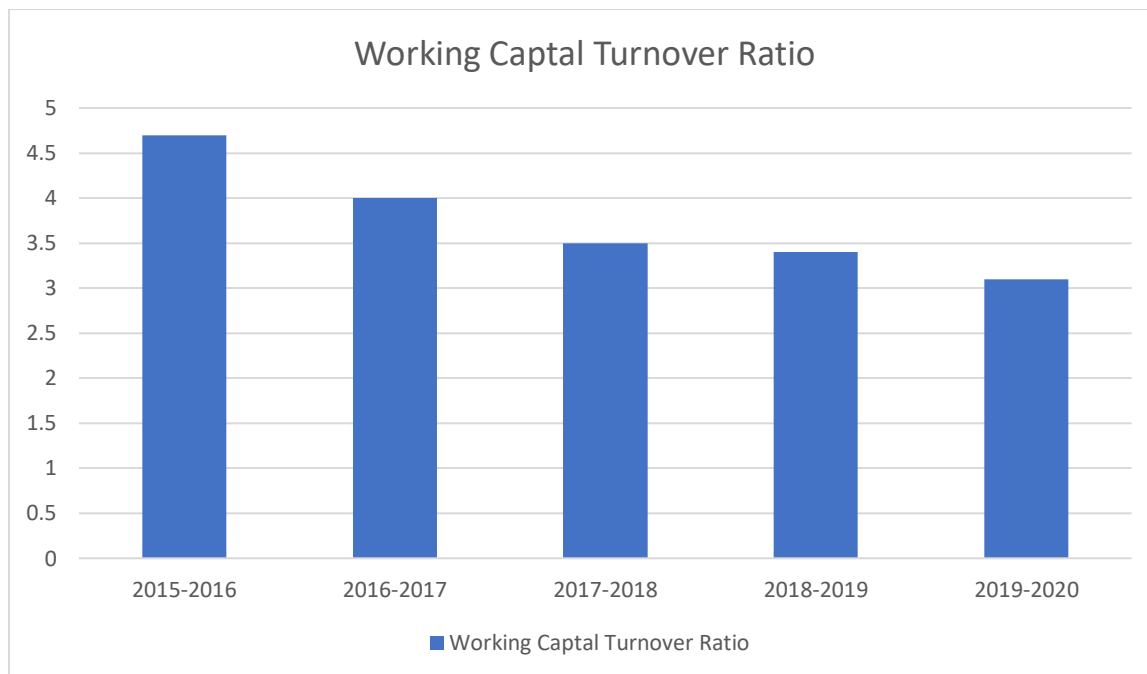
Table 4.14

Year	Net sales	Net working capital	Working capital turnover ratio (in time)
2015-2016	8235.32	1745.85	4.7 time
2016-2017	9342.15	2290.45	4.0time
2017-2018	9421.02	2694.95	3.5time
2018-2019	9532.07	2766.53	3.4time
2019-2020	9742.52	3124.93	3.1time

INTERPRETATION

shows how efficiently the company makes use of working capital .The ratio keep decreasing since 2017.Wasvery high in 2015-2016 and decreases gradually but keeps maintaining at an average rate of 3.1times and does not seems very low. Hence the company seems to be in a good condition

Chart 4.14



4.15 FIXED ASSETS TO NETWORTH RATIO: (in lacks)

Table 4.15

Years	Fixed asset	Share capital fund	Fixed asset to share capital fund(in time)
2015-2016	33.73	1086.3147	0.035
2016-2017	38.38	1086.3488	0.035
2017-2018	44.13	1086.3488	0.040
2018-2019	47.64	1086.35	0.043
2019-2020	54.67	1086.7101	0.050

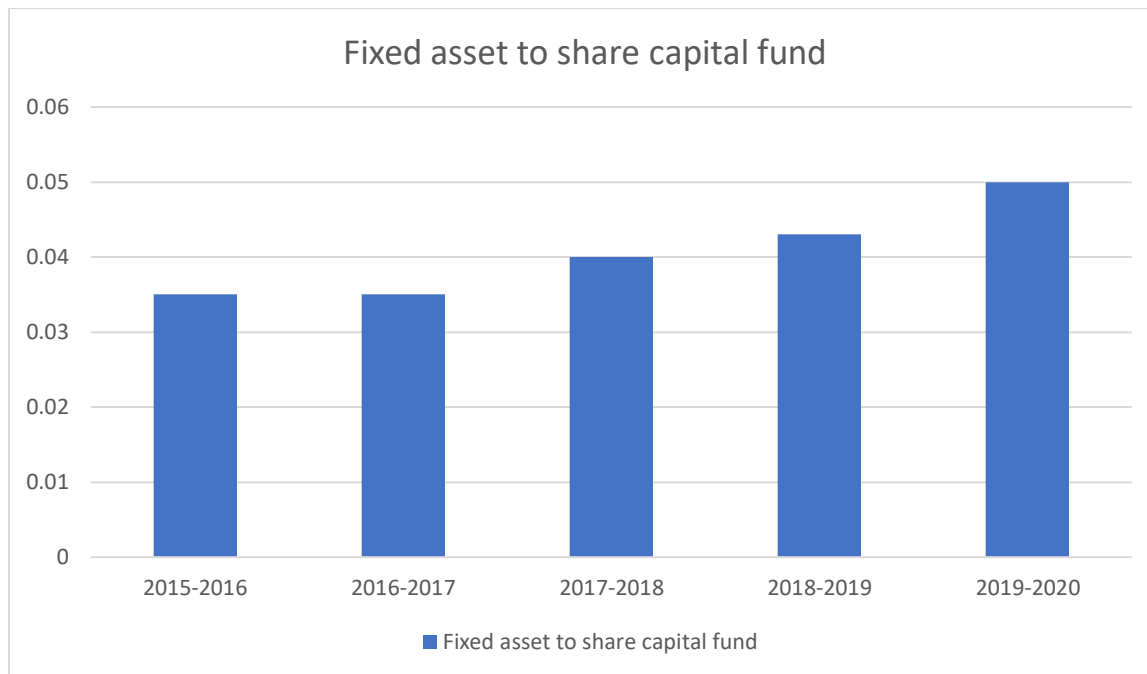
Source: company annual report 2015-2016 2019-2020

INFERENCE:

Fixed assets to net worth ratio 0.050 or higher is usually undesirable, as it indicates that the firm is vulnerable to unexpected events and changes in the business climate.

This ratio indicates the extent to which the owners' cash is frozen in the form of fixed assets, such as property, plant, and equipment, and the extent to which funds are available for the company's operations (i.e. for working capital). The current year fixed asset to networth ratio is 7.65 which indicates that the firm is not vulnerable to unexpected events and changes in the business climate.

CHART 4.15



TREND ANALYSIS OF DOMAIN2HOST

4.16 PERCENTAGE OF CURRENT ASSET (in lacks)

Table 4.16

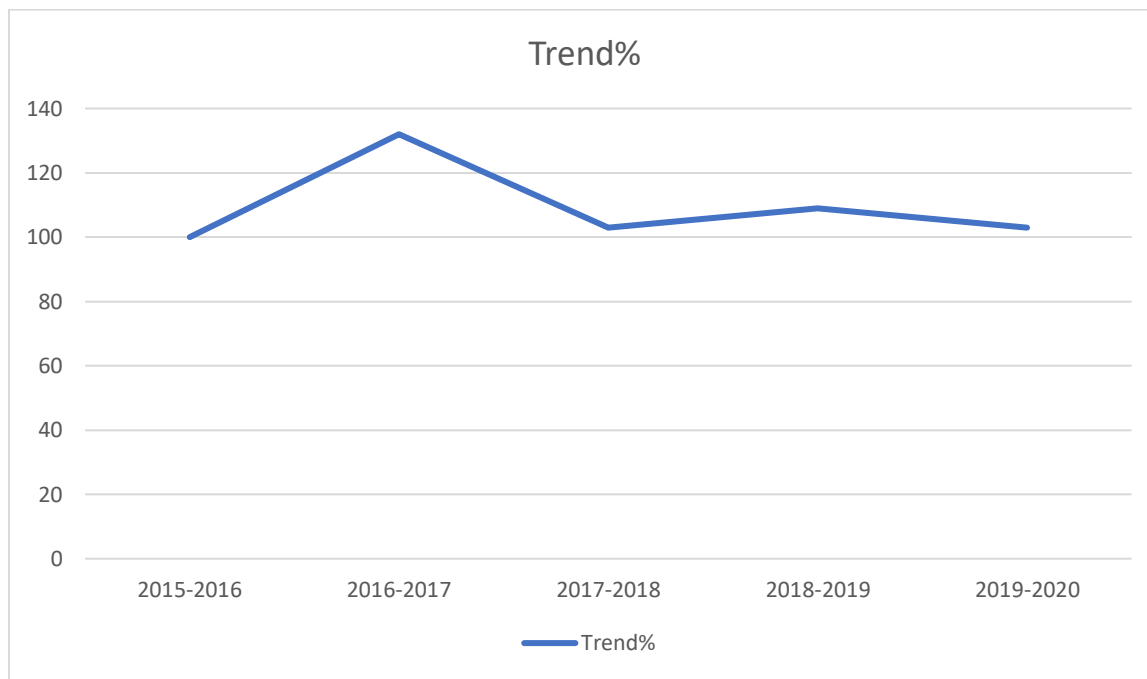
Year	Current asset	Trend%
2015-2016	2579.05	100
2016-2017	3397.43	132
2017-2018	3498.32	103
2018-2019	3819.01	109
2019-2020	3934.08	103

Source: company annual report 2015-2016 2019-2020

INFERENCE:

From the above trend analysis showing, it is inferred as base year 2016. The trend analysis for current asset is lowest in the year 2020 with 103.

CHART 4.16



4.17 TREND PRECENTAGE CURRENT LIABILITY (in lacks)

Table 4.17

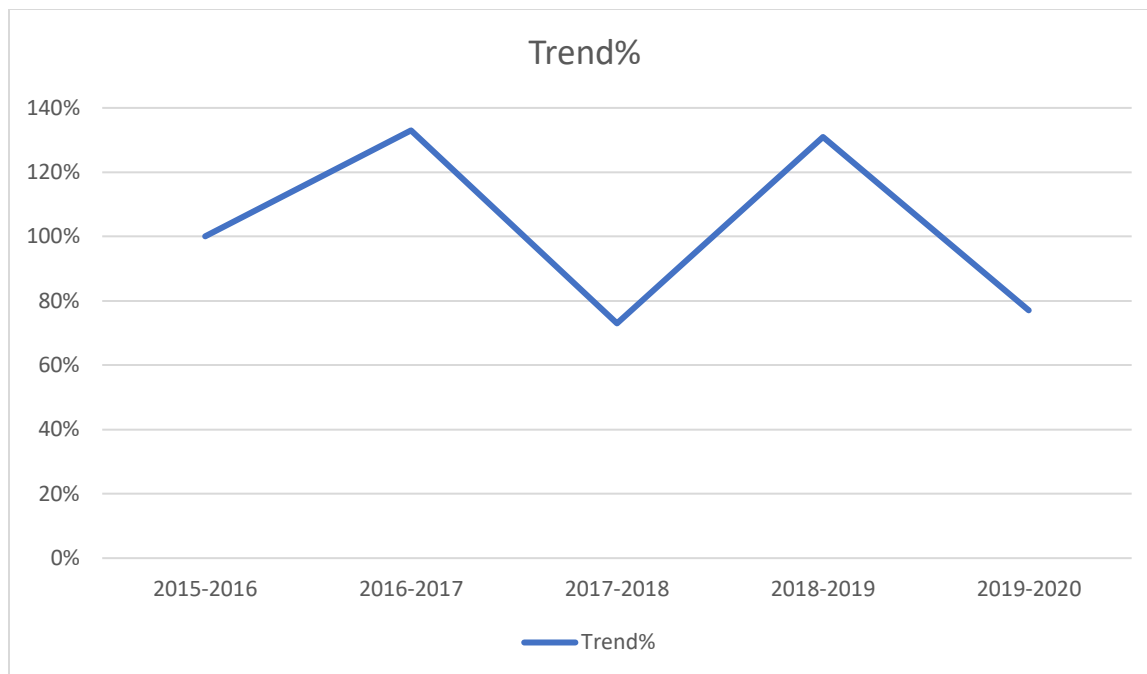
Year	Current liability	Trend%
2015-2016	833.62	100%
2016-2017	1106.98	133%
2017-2018	803.37	73%
2018-2019	1052.48	131%
2019-2020	809.15	77%

Source: company annual report 2015-2016 2019-2020

INFERENCE:

From the above trend analysis showing, it is inferred as base year 2016. Current asset has been decreased during the year 2020, 2019 and 2018. The current year 2020 trend percentage for current asset is 77

CHART 4.17



4.18 TREND PRECENTAGE OF NET SALES FOR THE PERIED (in lacks)

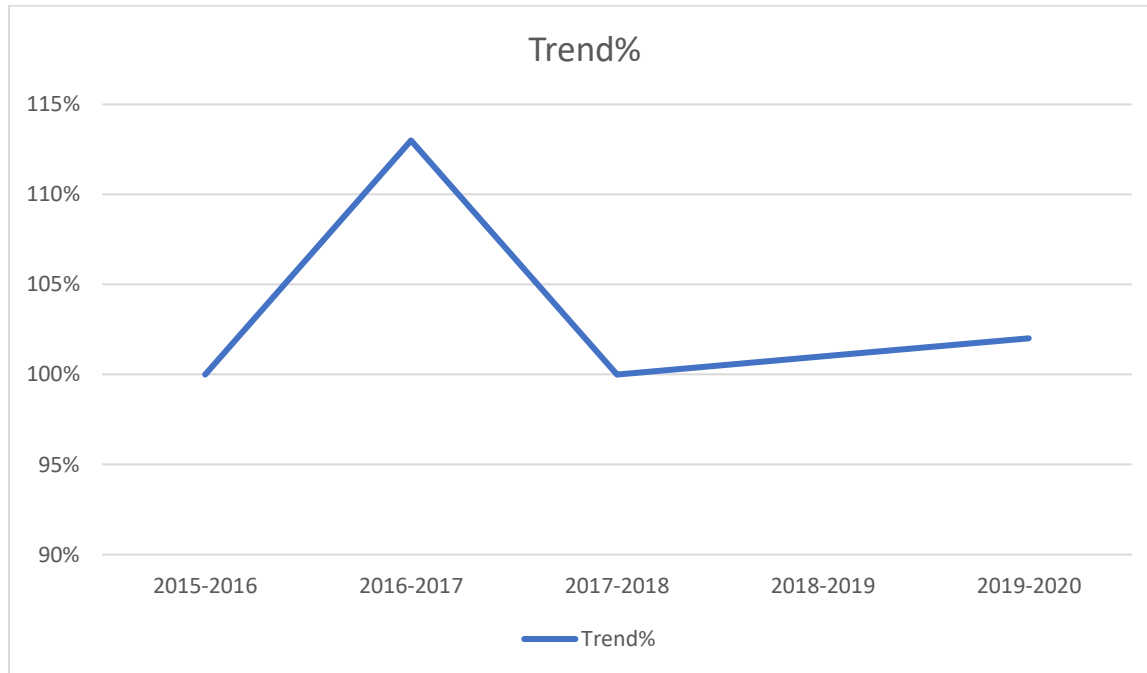
Table 4.18

Year	Net Sales	Trend%
2015-2016	8235.32	100%
2016-2017	9342.15	113 %
2017-2018	9421.02	100%
2018-2019	9532.07	101%
2019-2020	9742.52	102%

SOURCE: Company annual report 2015-2016,2019-2020

The sales have continuously increased in all the years up to 2019, though in different proportions. The percentage in 2018 is 101% as compared to 100 in 2020. The increase in sales is quite satisfactory.

Chart 4.1.18



4.19 TREND PRECENTAGE OF NET PROFIT FOR THE PERIED(in lacks)

Table 4.19

Year	Net profit	Trend%
2015-2016	4925.136	100%
2016-2017	6231.12	127%
2017-2018	6312.31	101%
2018-2019	6402.07	101%
2019-2020	6514.42	102%

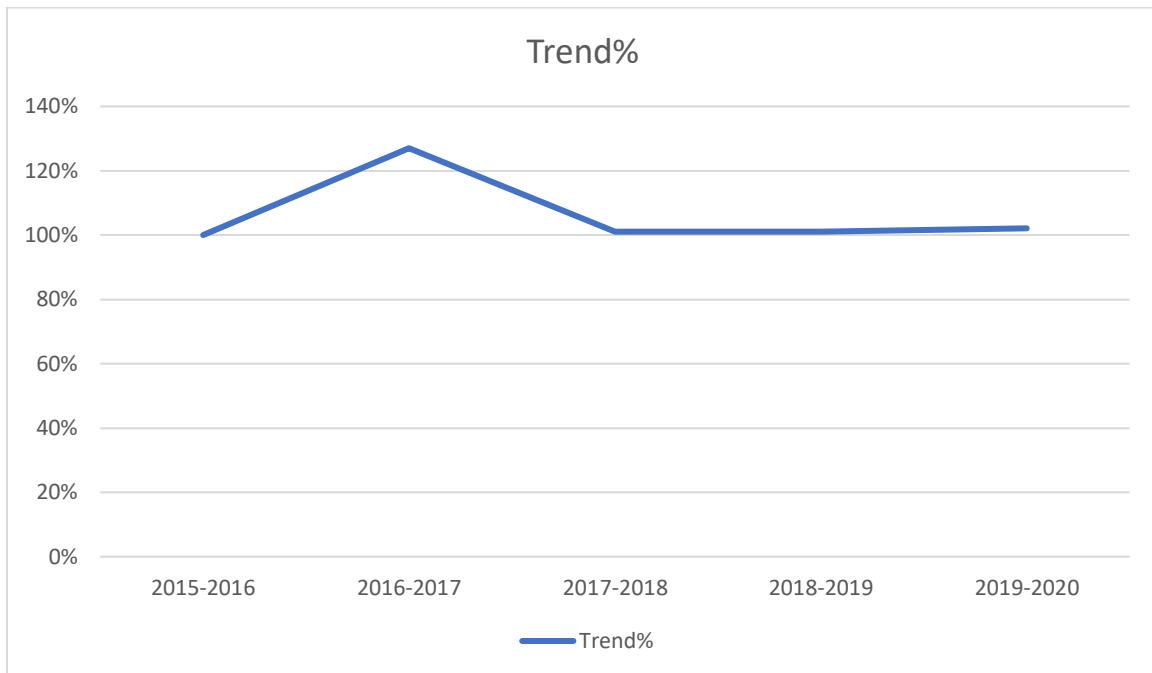
Source : company annual report 2015-2016,2019-2020

INTERPRETATION

The Net Profit have continuously increased in all the years up to 2020, though in different proportions. The percentage in 2017 is 127% as compared to 102% in 2020.

The decrease in Net Profit is quite satisfactory

CHART 4.1.19



COMPARATIVE BALANCE SHEET OF DOMAIN 2HOST

COMPARATIVE BALANCE SHEET FOR THE YEAR 2016-2017

Particular	2016	2017	Increase	Decrease
Fixed asset	33.73	38.38	4.65	---
gross profit				
depreciation				
Investment	1895.01	2759.54	864.53	----
Debtors	444.17	377.33		66.84
Stock	206.14	222.18	16.04	---
Cash in company	309.21	333.28	24.07	
Bank balance	159.32	488.58	329.26	----
Debtors	4167.68	5425.03	1257.35	----
Total asset	7215.26	9644.32		
Current liabilities				
Creditors	833.62	1106.98	273.36	----
Equity share capital	1086.3147	1086.3488	0.0341	----
Reserve and surplus	484.01	573.13	89.12	----
Debts				-----
Deposit	4374.0394	6420.7313	2046.69	---
Long term borrowing	437.2741	457.1368	0.956	---
Total liabilities	7215.26	9644.32	2429.06	--

COMPARATIVE BALANCE SHEET OF THE YEAR 2017-2018

Particular	2017	2018	Increase	Decrease
Fixed asset	38.38	44.13	5.75	---
gross block				
depreciation				
Investment	2759.54	2854.90	95.36	--
Debtors	377.33	351.13	---	26.2
Stock	222.18	245.16	22.98	---
Cash in	333.28	367.75	34.47	--
company				
Bank balance	488.58	348.93	--	139.65
Debtors	4167.68	5425.03	1257.35	--
Total assets	9644.32	10534.14	--	---
Current				
liabilities				
Creditors	1106.98	803.37	--	303.61
Equity share	1086.3488	1086.3488		
capital				
Reserve and	573.13	653.14	80.01	--
surplus				
Debts				
Deposit	6420.7313	7041.1623	620.43	--
Long term	457.1368	950.116	492.97	--
borrowing				
Total	9644.32	10534.14	889.82	--
liabilities				

COMPARATIVE BALANCE SHEET OF THE YEAR 2018-2019

Particular	2018	2019	Increase	Decrease
Fixed asset	44.13	44.64	0.51	--
gross block				
depreciation				
Investment	2854.90	2956.01	--	101.11
Debtors	351.13	437.78	86.65	--
Stock	245.16	377.58	132.42	--
Cash in	367.75	566.37	198.62	--
company				
Bank balance	348.93	284.79	---	64.14
Debtors	6319.14	7567.19	1248.05	---
Total assets	1053414	12237.36		
Current				
liabilities				
Creditors	803.37	1052.48	249.11	---
Equity share	1086.3488	1086.35		
capital				
Reserve and	653.14	643.51	1.2	---
surplus				
Debts				
Deposit	7041.1623	8339.3281	1298.17	--
Long term	950.116	1115.6896	165.57	---
borrowing				
Total	10534.14	12237.36	1703.22	---
liabilities				

COMPARATIVE BALANCE SHEET OF THE YEAR 2019-2020

Particular	2019	2020	Increase	Decrease
Fixed asset	47.64	54.67	7.03	--
gross block				
depreciation				
Investment	2956.01	3131.98	175.94	--
Debtors	437.78	531.13	93.35	---
Stock	377.58	216.30	161.28	---
Cash in	566.37	324.46	--	241.91
company				
Bank balance	284.79	430.87	146.08	---
Debtors	7567.19	8675.79	1108.6	---
Total assets	12237.36	13355.19		
Current				
liabilities				
Creditors	1052.48	809.15	---	243.33
Equity share	1086.35	1086.7104	0.36	---
capital				
Reserve and	643.51	832.80	189.29	---
surplus				
Debt				
Deposit	8339.3281	9436.4736	1097.15	--
Long term	1115.6896	1190.0557	74.36	---
borrowing				
Total	12237.36	13355.19	1117.83	---
liabilities				

CHAPTER V

FUNDING, SUGGESTIONS, CONCLUSION

5.1 FINDING

1. The current year (2020) current ratio is found to be 4.86 it is in a increasing position.
2. The current year (2020) absolute liquidity ratio is found to be the highest (0.40) due to the decrease in the liabilities.
3. The current year (2020) working capital ratio has increased to 0.23when compared to the previous year 2019 with 0.23.
4. The current year (2020) debt equity ratio is found to be increasing with 1.09 when compared to the previous year with 1.03. This is due to the increase in the net profit
5. The current year 2020 debt to total capital ratio is found to be decreasing with 0.20 when compared to the previous year.
6. In the year 2020 the debt to total asset is higher which means that the company is having a higher leverage the current year (2020) fixed assets are in the increasing rate that the ratios are equal to 0.002. This means that the company fixed asset position is satisfactory
7. The current year Proprietary ratio is 0.08 which indicates that the firm is not vulnerable to unexpected events and changes in the business climate.
8. The current year (2020) and the previous year (2019) ratio is high with 4.59% This shows that the company debts are very high and involves higher risk of insolvency.

9. The current year 2020 gross profit ratio has decrease to 66.86 when compared to the previous year 2019 with 67.16
10. The current year 2020 net profit ratio has decrease to 66.86 when compared to the previous year 2019 with 67.16.
11. The current year operation profit ratio has decrease to 66.86 when compared to the previous year 2019 with 67.16.
12. The current year return on capital ratio has decrease to 339.37 when compared to the previous year with 370.09.
13. The current year fixed asset turnover ratio has decrease to 178.21 when compared to the previous year 2019 with 200.08.
14. The current year debtors turnover ratio has decrease to 1.65 when compared to the previous year with 1.81.
15. The current year current asset turnover ratio has decrease 2.48 when compared to the previous year 2.49.
16. The current year working capital turnover ratio has decrease 3.1 when compared to the previous year 3.4.

5.2 SUGGESTIONS

1. Company may look into the measures how to reduce the loans and 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.
4. 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.
5. Thus it is essential to avoid excessive liquidity but to maintain sufficient liquidity to ensure smooth running of the company operation.

6. The company has better liquidity position and has to maintain same in the future.
7. In the comparative statement of Domain2Host for the year 2019 and 2020 the current assets of the year 2020 has been decreased to a great extent. And that the company has decrease its liabilities and increase it asset to have a good liquidity position
8. In all the 4 years the Domain2Host Company has sold its fixed asset and reduced its reserves to pay its bills and that care to be taken so that the company should have a fixed amount as reserve for future.
9. In the current ratio of Domain2Host even though the current assets are twice as current liabilities there is a fluctuation in the current ratio. The company should take proper steps to make the ratio in a constant term.
10. In the debt ratio of Domain2Host, a lower the percentage means that a company is using less leverage and has a stronger equity position. In the year 2020 the ratio is higher (9.67%) which means that the company is having a higher leverage.
11. In the Dividend payout ratio of Domain2Host, the company has reduced percent of profit has distributed among its shareholders from 53.19% to 34.41%. This leads to a decrease in the value of shares or decrease in the number of shareholders. Care should be taken to have a constant profit.
12. The Return on equity of Domain2Host has been increased in the year 2020. But there is a fluctuation in the ratio, the company should take proper steps should be made to reduce this fluctuations.

5.3 CONCLUSION

The efficient and smooth functioning of all the activities of the company depends upon the financial performance of the company. The financial performance analysis thus is a forward-looking exercise as it is helpful in future financial planning decision

making. It determine 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 performance can improve the financial strength of company. The company 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 performance to achieve the company goal.

By analyzing the financial performance of the company of the Company it is inferred that the company financial position is found to be good. The ratios of the company are satisfactory. The profitability of the company is satisfactory but does not show a higher change in the profit when compared with the previous years.

The company has increasing liabilities over years. The company has also raised its investments and reserves for future purpose.

This clearly shows that the company is in the developing nature and their position in the society is satisfactory.

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APPENDIX

CONSOLIDATED BALANCE SHEET OF DOMAIN2HOST FOR THE YEAR 2016-2020

Particular	2016	2017	2018	2019	2020
Fixed asset	33.73	38.38	44.13	47.64	54.67
gross block					
depreciation					
Investment	1895.01	2759.54	2857.90	2956.01	3131.98
Debtors	444.17	377.33	351.13	437.78	531.13
Stock	206.14	222.18	245.16	377.58	216.30
Cash in company	309.21	333.28	367.75	566.37	324.46
Bank balance	159.32	488.58	348.93	284.79	430.87
Debtors	4167.68	5425.03	6319.14	7567.19	8675.79
Total assets	7215.26	9644.32	10534.14	12237.36	13355.19
Current liabilities					
Creditors	833.62	1106.98	803.37	1052.48	809.15
Equity share capital	1086.3147	1086.3488	1086.3488	1086.35	1086.7104
Reserve and surplus	484.01	573.13	653.14	643.51	832.80
Debt					
Deposit	4374.0394	6420.7313	7041.1623	8339.3281	9436.4736
Long term borrowing	437.2741	457.1368	950.116	1115.6896	1190.0557
Total liabilities	7215.26	9644.32	10534.14	12237.36	13355.19