

A Study On Ratio Analysis With Special Reference To Neycer India Ltd,Vadulur

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Abstract - "A Study On Ratio Analysis With Special Reference To Neycer India Ltd., Vadulur" is utilized to decide the money related execution of an association and furthermore measure the liquidity, dissolvability and benefit places of an association. The association are bit by bit expanded in the liquidity position of an association .consequently the Ratio Analysis is to assess and examine different truth of money related execution of the organization. To make correlation of the organization between proportion amid various period.

Keywords: liquidity, asset, liability, financial performance, profitability

I. INTRODUCTION

Ratio analysis is a quantitative technique for picking up knowledge into an organization's liquidity, operational productivity, and benefit by looking at data contained in its fiscal reports. it is a foundation of central investigation.

Outside experts utilize a few kinds of proportions to evaluate organizations, while corporate insiders depend on them less due to their entrance to increasingly point by point operational information about an organization. Whenever financial specialists and investigators talk about key or quantitative examination, they are normally alluding to proportion . Proportion includes assessing the execution and money related wellbeing of an organization by utilizing information from the present and verifiable budget summaries.

The information recovered from the announcements is utilized to contrast an organization's exhibition after some time with survey whether the organization is improving or falling apart, to contrast an organization's money related standing and the business normal, or to contrast an organization with at least one different organizations working in its segment to perceive how the organization piles up.

Proportion can be utilized to build up a pattern line for one organization's outcomes over an expansive number of budgetary revealing periods. This can feature organization changes that would not be clear whether taking a gander at a given proportion that speaks to only one point in time.

Contrasting an organization with its friends or its industry midpoints is another helpful application for proportion examination. Figuring one proportion for rivals in a given industry and looking at over the arrangement of organizations can uncover both positive and negative data.

Since organizations in a similar industry regularly have comparable capital structures and interest in fixed resources, their proportions ought to be significantly the equivalent. Diverse proportion results could imply that one firm has a potential issue and is failing to meet expectations the challenge, yet they could likewise imply that a specific organization is vastly improved at creating benefits than its companions. Numerous investigators use proportions to survey areas, searching for the most and least important organizations in the gathering..

II. REVIEW OF LITERATURE

Maheswari, V. (2015) made an attempt to analyze the financial soundness of the Hero Honda motors limited have identified three factors, namely liquidity position, solvency position and profitability position based on the study of period 2002 to 2010 using ratio analysis.

Agarwal, Nidhi (2015) the study focus on the comparative financial performance of Maruti Suzuki and Tata motors ltd. The financial data and information required for the study are drawn from the various annual reports of companies. The liquidity and leverage analysis of both the firms are done. To analyze the leverage position four ratios are considered namely, capital gearing, debt-equity, total debt and proprietary ratio. The result shows that Tata motors ltd has to increase the portion of proprietor's fund in business to improve long term solvency position.

Huda Salhe Meften & Manish Roy Tirkey (2014) have studied the financial analysis of Hindustan petroleum corporation ltd. The study is based on secondary data. The company has got excellent gross profit ratio and trend is rising in with is appreciable indicating efficiency in production cost. The net profit for the year 2010-11 is excellent & it is 8 times past year indicating reduction in operating reduction in operating expenses and large

proportion of net sales available to the shareholders of company.

III. RESEARCH METHODOLOGY

It is adopted to systematically solve the research problems. this research has analytical type of research the nature of data collected was mainly secondary in nature that was collected from the published source like annual report of the company that information was utilized for calculating performance evaluation and based on the interpretation were made in Neycer India Ltd.

RESEARCH DESIGN:

Objectives Of The Study:

- To analyse the liquidity ratios that measure the ability of the enterprise to pay its debts as they measure.
- To analyse the activity or turnover ratio that measures how effectively the enterprise is using its assets
- To analyse the profitability ratios that measures management success in generating returns for those who provides capital to the enterprises
- To analyse leverage ratios that is used to measure the protection for long term creditor and investor.

Scope of Study:

- “Neycer India Ltd.,” is located in vadalur in cuddalore district.
- The main scope of the study is limited to collecting a financial data that was published in annual report every year .The study is carried out in annual report of (2016-2017) and (2017-2018)
- The study is based on SECONDARY DATA in which the analysis of ratios are calculated

IV. DATA ANALYSIS AND INTERPRETATION

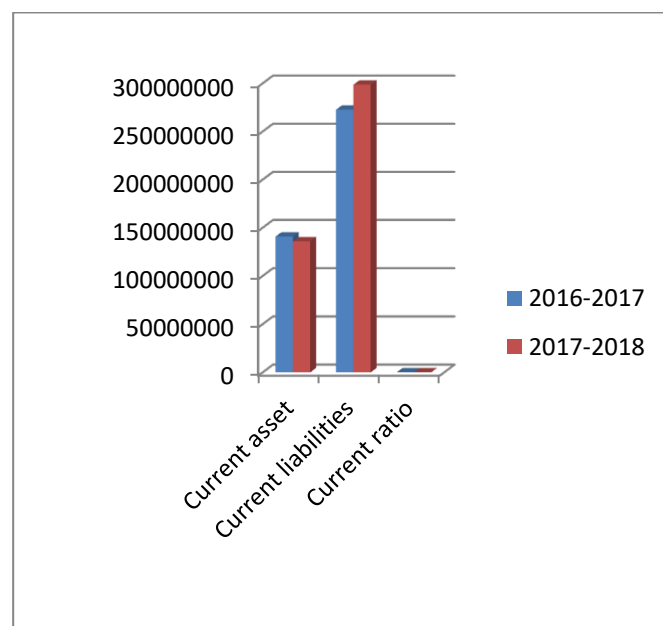
1.current Ratio:

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

Current asset= Inventories +Trade Receivables +Cash and Cash Equivalents +Short –Term Loans and Advances.

Current Liabilities=Short-Term borrowing +trade payables +other current liabilities+ short-term provisions.

Years	Current asset	Current liabilities	Current ratio
2016-2017	140901847	272713583	0.52
2017-2018	135823944	298641124	0.45



Interpretation:

Current ratio is decreasing year by year due to more liability than the current asset i.e., 2016-2017 rather than decreases to 2017-2018.

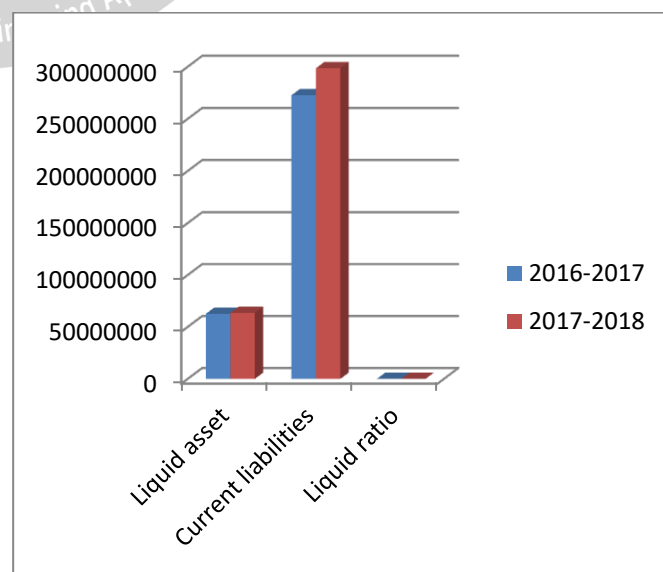
2.Liquid ratio:

$$\text{Liquid ratio} = \frac{\text{liquid asset}}{\text{current liabilities}}$$

Liquid asset=trade receivables+ cash and cash equivalents +short term loans and advances-inventories.

Current liabilities=short term borrowings +trade payables +other current liabilities +short term provision.

Year	Liquid asset	Current liabilities	Liquid ratio
2016-2017	62765837	272713583	0.23
2017-2018	63566282	298641124	0.21



Interpretation:

Liquid Ratio has been decreasing year by year due to more liability than a quick asset. hence, liquid ratio of year 2016-2017 rather than decreases to 2017-2018.

V. SUGGESTION

- The liquidity position of the company in a better or effective purpose.
- The organization has to concentrate on operations in manufacturing unit hence it helps to reduce the operating cost.

VI. CONCLUSION

The development of organization analyzed through ratio analysis. The assets and liabilities can be effectively utilized if the organization reaches the profit. The ratio analysis is measuring the current liquidity and assets, and easily find out the profit and loss of an organization. Thus the company has to concentrate in overall performance.

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