



FINANCIAL PERFORMANCE OF INDIAN AUTOMOBILE INDUSTRY- PRESENT SCENARIO OF LEADING AUTOMOBILE COMPANIES

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Abstract

The present paper investigates the financial performance of the top two leading automobile organizations in India viz., Hero Moto Corp (HMC) and Bajaj Auto Limited (BAL). The study plans to analyze the Profitability, Liquidity, Solvency and Efficiency of the selected firms. The need for taking the firms for the study is on the grounds that the Indian automobile industry is the 4th largest in the world with the increasing of sales. It has been the seventh biggest producer of commercial vehicles in 2017/18. The Two Wheelers segment commands the market regarding volume attributable to a developing working class and a youthful populace. Aside from the abovementioned, the Indian automobile industry is found to have been bringing highest portion of foreign exchange. A sound transportation framework, assumes a critical job in the nation's fast financial and modern improvement. In this specific circumstance, it is too important to even think about undertaking an investigation identifying with the financial performance of the selected companies. The companies' performances are measured through Key financial Ratio analysis. The liquidity ratios of the two selected companies during the entire five years of the study period are found to be less than the standard liquid ratio 1, it indicates that the companies may not be able to fully pay off its current liabilities in the short term. Furthermore, a high variation is also noticed in all efficiency ratios such as ITR, DTR, FATR and TATR of the selected companies during the period of study. Altogether, a high fluctuation is also noticed in all the measures of profitability of the companies during the period of study.

Keywords: Profitability, Liquidity, Solvency and Efficiency.

Introduction

The Automobile Industry is one of the fastest growing sectors in India. The increase in the demand for cars and other vehicles, powered by the increase in the income is the primary growth driver of the automobile industry in India. The introduction of tailor made finance schemes, easy repayment schemes has also helped the growth of the automobile sector. The Two Wheelers segment dominates the market in terms of volume owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector. India is also a prominent auto exporter and has strong export growth expectations for the near future. Automobile exports grew 15.54 per cent during April 2018-February 2019. It is expected to grow at a CAGR of 3.05 per cent during 2016-2026. In addition, several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the two-wheeler and four wheeler market in the world by 2020. So as to stay aware of the developing interest, a few automobile companies have begun putting vigorously in different fragments of the business during the most recent couple of months. The industry has pulled in Foreign Direct Investment (FDI) worth US\$ 20.85 billion during the period April 2000 to December 2018, as indicated by information discharged by Department of Industrial Policy and Promotion (DIPP). Domestic automobile production increased at 7.08 per cent CAGR between 2012/13 and 2017/18 with 29.07 million vehicles manufactured in the country in 2017/18. During April 2018-January 2019, automobile production increased 9.84 per cent year-on-year to reach 26.26 million vehicle units. Overall domestic automobiles sales increased at 7.01 per cent CAGR between 2012/13 and 2017/18 with 24.97 million vehicles getting sold in 2017/18. During April 2018-January 2019, highest year-on-year growth in domestic sales among all the categories was recorded in commercial vehicles at 22.79 per cent followed by 14.79 per cent year-on-year growth in the sales of three-wheelers. Premium motorbike sales in India crossed one million units in 2018/19. During January-September 2018, BMW registered a growth of 11 per cent year-on-year in its sales in India at 7,915 units. Mercedes Benz ranked first in sales satisfaction in the luxury vehicles segment. Sales of electric two-wheelers are estimated to have crossed 55,000 vehicles in 2017/18. The fast developing



automobile sector in India has tempted the researcher to investigate the financial performance of the automobile industry specifically, the leading automobile companies viz., Hero Motocorp (HMC) and Bajaj Auto Limited (BAL).

Objectives

The following objectives have been framed for the study

- To find out the profitability position of the selected automobile companies..
- To draw out the Liquidity and Solvency status of the selected companies.
- To bring out the management efficiency of the selected companies.

Review of literature

Leland and Pyle (1977) propose that managers will take debt-equity ratio as a signal, by the fact that high leverage implies higher bankruptcy risk (and costs) for low quality firms. Since managers always have information advantage over the outsiders, the debt structure may be considered as a signal to the market.

Vijayakumar (1998) has examined the determinants of corporate size, growth and profitability- the Indian experience. To meet the objectives of the study, Indian public sector industries were selected. The data relating to size, growth and profitability were collected from their annual reports published by the Bureau of Public Enterprises (BPE), Government of India. The study covers the period from 1980-81 to 1995-96. The technique of average, correlation and linear and multiple regression analysis has been used in this study. Inter - industry analysis reveals that the growth is positively and significantly associated with the size in all the industry groups except textiles.

Sudarsana Reddy (2003) studied the Financial Performance of Paper industry in AP. The main objectives set for the study are to evaluate the financing methods and practices to analyze the investment pattern and utilization of fixed assets, to ascertain the working capital condition, to review the profitability performance and to suggest measures to improve the profitability. The data collected have been examined through ratios, trend, common size, comparative financial statement analysis and statistical tests have been applied in appropriate context. The main findings of the study are that A.P paper industry needs the introduction of additional funds along with restructuring of finances and modernization of technology for better operating performance.

Muhammad and Syed (2011) investigated the impact of working Capital Management on firms' performance for non-financial institutions listed in Karachi Stock Exchange (KSE-30) Index. A panel data of 21 firms listed in KSE-30 Index for a period of years 2001 to 2010 was analysed. Results were obtained using canonical correlation analysis for identifying the relationship between working capital management and firms' performance. The findings show that working capital management has a significant positive impact on firms' performance. They concluded that managers can increase value of shareholder and return on asset by reducing their inventory size, cash conversion cycle and net trading cycle.

Ashok Kumar Panigrahi, (2012) analyses the impact of working capital management on Profitability of ACC Cement Company. The study is based on secondary data, data are collected from the websites money control as well company websites and study periods are for 10 years i.e. 1999-2000 to 2009-2010. The research methodology used in this paper is correlations coefficient, multiple correlation analysis and multiple regression analysis. In this paper few variables show a strong and positive correlation with the profit whereas some others do not have. The results show that there is moderate relationship between the efficiency of working capital and the profitability.

Research Methodology

The present investigation is descriptive study. The investigation depends on Secondary data gathered from Money control.com and Centre for Monitoring Indian Economy. The point of this study is to know the financial performance of the companies and the industry in general.



Scope of the research

Numerous analysts have studied about working capital management, capital structure, and profitability and so on in various ways. The others have examined the effect of working capital on profitability of different firms in various industries. Besides, other studies have focused on how reduction of working capital improves a firm's profitability. However, all the above mentioned authors have studied the impact of working capital management during non-crisis periods. According to my knowledge and searches within the databases of scientific articles which are available to me, there are no authors who studied the financial performance of the automobile industry.

Data Source

Keeping in view the scope of the study, it is decided to carry out in depth the financial performance of Indian Automobile industry-Current scenario of the leading automobile companies. The study is mainly based on secondary data which is from 2014/15 to 2018/19. The major source of data is from Centre for Monitoring Indian Economy (CMIE). The database provides financial statements, ratio analysis, fund flow, cash flow etc.

Tools and Techniques

A variety of tools and techniques are available to the financial analyst. Financial analyst chooses the techniques to suit the requirements of different enterprises under different situations. In this study, Ratio Analysis such as Liquidity and Solvency ratios, Profitability Ratios and Efficiency ratios have been used.

Ratio Analysis

Ratio analysis is an important and powerful technique or method, generally, used for analysis of Financial Statements. Ratios are used as a yardstick for evaluating the financial condition and performance of a firm. Analysis and interpretation of various accounting ratios gives a better understanding of financial condition and performance of the firm.

- **Operating Profit Margin**

Operating Profit Margin is profitability or performance ratio used to calculate the percentage of profit a company produces from its operations, prior to subtracting taxes and interest charges. It is calculated by dividing the operating profit by total revenue, and expressing as a percentage.

- **EBIT**

EBIT gives information on a company's earnings ability. Increase in EBIT is mainly due to growth of net revenue, good cost control and strong productivity, Decrease in EBIT margin largely results from reduction in revenue and higher operating costs. EBIT margin is most useful when compared against other companies in the same industry. The higher EBIT margin reflects the more efficient cost management or the more profitable business. If no positive EBIT margin can be generated over a longer period, then the company should rethink the business model.

- **Gross Profit Margin**

Gross profit margin is a profitability ratio that calculates the percentage of sales that exceed the cost of goods sold. In other words, it measures how efficiently a company uses its materials and labor to produce and sell products profitably. Gross profit margin is calculated by subtracting cost of goods sold from total revenue and dividing that number by total revenue.

- **Net Profit Margin**

Net profit margin is the percentage of revenue remaining after all operating expenses, interest, taxes and preference shares have been deducted from a company's total revenue. NET Profit Margin is calculated by dividing net profit by net income.

- **Cash Profit Margin**

Cash profit is the profit recorded by a business that uses the cash basis of accounting. Under this method, revenues are based on cash receipts and expenses are based on cash payments. Consequently, cash profit is the net change in cash from these receipts and payments during a reporting period.



- **ROCE**

Return on capital employed or ROCE is a profitability ratio that measures how efficiently a company can generate profits from its capital employed by comparing net operating profit to capital employed. Return on capital employed is calculated by dividing net operating profit or EBIT by the employed capital.

- **RONW**

The term Return on Net worth Ratio (RONW) is same as return on equity ratio. The ratio shows how much profit a company generates with the invested money of equity shareholders. Hence, it is also called Return on Equity Ratio. This ratio is quite helpful for comparing the profitability or annual return of a company to that of others in the same industry.

- **ROLTF**

It is calculated by dividing Earnings before Interest & Tax (EBIT) by the net capital employed. The term net capital employed is the gross capital in the business minus current liabilities. Thus it represents the long-term funds supplied by creditors and owners of the firm. all of financial statements.

Liquidity Ratios

They measure the firm's ability to meet current obligations. Liquidity ratios measure the firm's ability to meet current obligations, as and when they fall due. A firm should ensure that it does not suffer from lack of liquidity and also does not have excess liquidity. In the absence of adequate liquidity, the firm would not be able to pay creditors on the due date. If the firm maintains more liquidity, it will not experience any difficulty in making payments. However, a higher degree of liquidity is bad, as idle assets earn nothing, while there is cost for the funds. The firm's funds will be, unnecessarily, tied up in liquid assets. Both inadequate and excess liquidity are not desirable. It is necessary for the firm to strike a proper balance between high liquidity and lack of liquidity.

- **Current Ratio**

Current ratio is defined as the relationship between current assets and current liabilities. It refers to the measurement of the firm's ability to meet its short term obligations. It establishes the relationship between the current assets and the current liabilities. It is calculated by dividing Current Assets by Current Liabilities. The current ratio is used to find out the ability of the business to pay-off its short-term obligations. The current ratio of 2:1 is reckoned as an ideal ratio. This ratio should be neither too high nor too low. A very high current ratio is also not desirable since it means inefficient use of working capital. It may be due to the piling up of obsolete inventory, excessive cash, large amount of debtors due to inefficient collection policy, etc. On the other hand, a low ratio indicates inability of the company to meet adequately its short-term obligations.

- **Liquid Ratio**

Liquid Ratio establishes the relationship between liquid assets and current liabilities. Liquid assets are those that can be converted into cash, quickly, without loss of value. Cash and balance in current account with bank are the most liquid assets. Other assets that are considered, relatively, liquids are debtors, bills receivable and marketable securities. Liquid Ratio is found by dividing Liquid Assets by Liquid Liabilities.

- **Debt-Equity Ratio**

A debt-equity ratio of 1 would mean that investors and creditors have an equal stake in the business assets. A lower debt to equity ratio usually implies a more financially stable business. Companies with a higher debt to equity ratio are considered more risky to creditors and investors than companies with a lower ratio. Unlike equity financing, debt must be repaid to the lender. The debt-equity ratio is calculated by dividing total liabilities by total equity.

- **Long term Debt to-Equity Ratio**

The ratio is calculated by taking the company's long-term debt and dividing it by the book value of common equity. The greater a company's leverage, the higher the ratio. ... A high ratio usually indicates a higher degree of business risk because the company must meet principal and interest on its obligations.



- **Inventory Turnover Ratio**

It establishes the relationship between the cost of goods sold during a given period and the average inventory held during the year by firm. It is calculated by dividing the cost of goods sold by average inventory at cost. It measures the liquidity of the inventory. It indicates the velocity with which the goods move, thus serves as a yardstick of efficient inventory management. The lower this ratio, the better it is. A lower inventory ratio indicates quick sales. But a low turnover ratio should be analyzed carefully as it may result in lower investment in inventory and frequent stock outs. A high ratio is an indicator of slow moving, obsolete or poor quality goods which the company may not be able to sell.

- **Debtors' Turnover Ratio**

It establishes the relationship between net credit sales of the year and the average debtors. It indicates how well receivables are turning into cash. It refers to the speed with which receivables are converted into cash, thus important for analyzing the liquidity position of the firm. This ratio may be calculated by dividing debtors by credit sales. In absolute terms, high debtors ratio and low collection period is an indicator of highly liquid accounts receivable. A shorter collection period implies prompt payment by debtors and restrictive credit policy. On the other hand, low debtors' turnover ratio and longer collection period implies liberal credit and collection policy.

- **Investment Turnover Ratio**

The investment turnover ratio compares the revenues produced by a business to its debt and equity. The ratio is used to evaluate the ability of a management to generate revenue with a specific amount of funding. The "turnover" part of the term indicates the number of multiples of revenue that can be generated with the current funding level. The formula for the investment turnover ratio is to divide net sales by all shareholders' equity and outstanding debt.

- **Fixed Assets Turnover Ratio**

Fixed asset turnover measures how well a company is using its fixed assets to generate revenues. Furthermore, a high ratio indicates that a company spent less money in fixed assets for each dollar of sales revenue whereas, a declining ratio indicates that a company has over-invested in fixed assets. The fixed asset turnover ratio is calculated by dividing net sales by Total fixed assets after depreciation.

- **Total Assets Turnover Ratio**

The asset turnover ratio is an efficiency ratio that measures a company's ability to generate sales from its assets by comparing net sales with average total assets. In other words, this ratio shows how efficiently a company can use its total assets to generate sales. The total asset turnover ratio calculates net sales as a percentage of assets to show how many sales are generated from each rupee of company assets.

Results and Discussion

Profitability of HMC and BAL

Profitability is ability of a company to use its resources to generate revenues in excess of its expenses. In other words, this is a company's capability of generating profits from its operations. In this research, eight profitability measures have been taken into account such as OPM, EBIT, GPM, CPM, NPM, ROCE, RONW and ROLTF to measure the profitability of the two leading automobile companies viz., Hero Moto Corp (HMC) and Bajaj Auto Ltd., (BAL) for a period of five years from 2014/15 to 2018/19.

Table 1, Profitability Ratios of HMC and BAL (2014/15-2018/19)

| Profitability | Companies | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|--------------------------------|-----------|---------|---------|---------|---------|---------|
| Operating Profit Margin(%) | HMC | 12.84 | 15.54 | 16.26 | 16.38 | 14.65 |
| | BAL | 19.04 | 21.17 | 20.31 | 19.00 | 16.46 |
| Profit Before Interest And Tax | HMC | 10.69 | 13.81 | 14.27 | 14.42 | 12.60 |
| | BAL | 17.34 | 18.91 | 17.90 | 16.85 | 14.78 |

| | | | | | | |
|--------------------------------|-----|-------|-------|-------|-------|-------|
| Margin(%) | | | | | | |
| Gross Profit Margin(%) | HMC | 10.88 | 14.00 | 14.53 | 14.65 | 12.86 |
| | BAL | 17.81 | 19.81 | 18.90 | 17.15 | 15.59 |
| Cash Profit Margin(%) | HMC | 10.97 | 12.32 | 13.33 | 12.98 | 11.60 |
| | BAL | 15.41 | 17.90 | 17.98 | 16.65 | 14.41 |
| Net Profit Margin(%) | HMC | 8.64 | 10.95 | 11.84 | 11.47 | 10.05 |
| | BAL | 13.01 | 17.39 | 17.58 | 16.16 | 15.45 |
| Return On Capital Employed (%) | HMC | 53.42 | 55.34 | 46.13 | 44.61 | 39.03 |
| | BAL | 41.01 | 41.82 | 31.11 | 30.25 | 29.22 |
| Return On Net Worth(%) | HMC | 36.47 | 39.42 | 33.39 | 31.41 | 26.32 |
| | BAL | 26.31 | 29.62 | 22.46 | 21.29 | 21.46 |
| Return on Long Term Funds(%) | HMC | 53.42 | 55.34 | 46.13 | 44.61 | 39.03 |
| | BAL | 41.01 | 41.82 | 31.11 | 30.25 | 29.22 |

Source:CMIE & Money control.com

Table 1 reveals that the Operating Profit Margin (OPM) in HMC is found to be 16.38% in 2017/18. It is the highest GPM during the period of study in HMC. On the other hand, the highest OPM in BAL in 2015/16 has been recorded as 21.17%. Besides, a Maximum EBIT of 14.42% in HMC during the year 2017/18 and 18.91% in BAL in 2015/16 has been identified during the period of study. In addition, in case of GPM, a maximum of 14.65% in HMC and 19.81% in BAL is found to have been recorded during the years 2017/18 and 2015/16 respectively. It is also clear from the above Table that a maximum cash profit margin of 13.33% (2016-17) in HMC and 17.98 in BAL in the same year is found during the study period. With regard to Net Profit Margin (NPM), 11.84% (2016/17) in HMC and 17.58% (2016/17) in BAL has been observed during the period of study. Furthermore, a maximum ROCE of 55.34% (2015/16) in HMC and 41.82% (2015/16) in BAL is also found during the research period.

It is also perceived from Table 1 that the Return on Net worth (RONW) in HMC is found to be 39.42% in 2015/16. It is the highest RONW during the period of study in HMC. On the other hand, the highest RONW in BAL in the same year has been recorded as 29.62%. Moreover, a Maximum ROLTF of 55.34% in HMC during the year 2015/16 and 41.82% in BAL in the same year has been identified during the period of study. Altogether, a high fluctuation has been noticed in all the measures of profitability of the two selected companies during the period of study.

Liquidity and Solvency Position of HMC and BAL

Liquidity for companies typically refers to a company's ability to use its current assets to meet its current or short-term liabilities. In this study, two common ratios viz., Current Ratio and Liquid Ratio have been used to measure the selected companies' liquidity. With these ratios one can understand how well the selected companies' can liquidate their assets to meet their current obligations. Likewise, solvency is the ability of a company to meet its long-term debts and financial obligations. Solvency is essential to staying in business as it demonstrates a company's ability to continue operations into the foreseeable future. While a company also needs liquidity to thrive and pay off its short-term obligations, such short-term liquidity should not be confused with solvency. A company that is insolvent will often enter bankruptcy. In this study, Debt Ratio and Debt Equity Ratio have been used to find out the solvency position of the two selected automobile companies.

Table 2 divulges that the current Ratio in HMC in 2018/19 is found to be 1.36 which is the highest current ratio during the period of study whereas the current ratio in BAL during the year 2015/16 has been registered as 1.27 which is found to be the maximum of other study years. In addition, the quick ratio in HMC in 2018/19 is witnessed as 0.96 which is the highest quick ratio during the period of study whereas the quick ratio in BAL during the year 2015/16 has been recorded as 1.05 which is found to be the maximum of other study years. The best current ratio has to be between 1.2 and 2. A current ratio of below 1 is meant that the company doesn't have

enough liquid assets to cover its short-term liabilities. Altogether, the current ratios of the selected two companies are found to be less the rule of thumb during the entire years of the study period. Moreover, as the liquidity ratios of the two selected companies during the entire five years of the study period are found to be less than the standard liquid ratio 1, it indicates that the companies may not be able to fully pay off its current liabilities in the short term.

Table 2, Liquidity and Solvency Ratios of HMC and BAL (2014/15-2018/19)

| Profitability | Companies | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|-----------------------------|-----------|---------|---------|---------|---------|---------|
| Current Ratio | HMC | 0.94 | 0.83 | 0.86 | 0.85 | 1.36 |
| | BAL | 0.89 | 1.27 | 1.10 | 0.94 | 1.14 |
| Quick Ratio | HMC | 0.72 | 0.67 | 0.72 | 0.69 | 0.96 |
| | BAL | 0.72 | 1.05 | 0.90 | 0.77 | 0.97 |
| Debt Equity Ratio | HMC | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | BAL | 0.01 | 0.00 | 0.01 | 0.01 | 0.00 |
| Long Term Debt Equity Ratio | HMC | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | BAL | 0.01 | 0.00 | 0.01 | 0.01 | 0.00 |

Source:CMIE & Money control.com

It is perceived from the Table given above that the Debt Equity ratio and the Long term Debt equity ratio of HMC are known to be zilch because the company does not have any debt during the period of study. But in case of BAL, the DER and LTDER is found to be 0.01in three years during the period of study. It shows it has borrowed a least amount of long term loan and repaid immediately.

Management efficiency of HMC and BAL

Table 3 describes about the management efficiency of HMC and BAL during the period from 2014/15 to 2018/19. The management efficiency is measured by five activity ratios viz., Inventory Turnover Ratio, Debtors Turnover Ratio, Investments Turnover Ratio, Fixed Assets Turnover Ratio and Total assets Turnover ratio.

It is clear from the Table 3 that a highest Inventory Turnover Ratio (ITR) of 47.01 times in HMC has been recorded during the year 2016/17 whereas a maximum of 34.42 times in BAL is noted in 2017/18 in the course of the study period. With regard to the Debtors Turnover ratio (DTR), a high DTR is identified in HMC during the first year of the study period and thereafter a gradual decrease is notified till the last year of the study period, however in case of DTR in BAL is found to be 31.48 (2015/16) which is the maximum DTR during the period of study. It is also observed from the Table 3 that a highest Investment Turnover Ratio of 40.04 times in HMC has been recorded during the year 2016/17 whereas a maximum of 23.11 times in BAL is noted in 2015/16 during the course of study period. Further, with regard to Fixed Assets Turnover ratio (FATR), a high FATR of 06.52 times is identified in HMC during the last year of the study period and a high fluctuation is notified during the course of the study period, however in case of FATR in BAL is found to be 17.91 (2018/19) which is the maximum FATR during the period of study.

Table 3, Management Efficiency Ratios of HMC and BAL(2014/15-2018/19)

| Liquidity | Companies | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|-----------------------------|-----------|---------|---------|---------|---------|---------|
| Inventory Turnover Ratio | HMC | 35.93 | 45.85 | 47.04 | 39.91 | 31.38 |
| | BAL | 27.66 | 33.21 | 31.70 | 34.42 | 31.46 |
| Debtors Turnover Ratio | HMC | 23.88 | 21.40 | 20.04 | 20.92 | 15.50 |
| | BAL | 28.57 | 31.48 | 26.05 | 20.58 | 14.93 |
| Investments Turnover Ratio | HMC | 32.93 | 38.85 | 40.04 | 39.91 | 31.38 |
| | BAL | 17.66 | 23.11 | 21.50 | 18.42 | 14.46 |
| Fixed Assets Turnover Ratio | HMC | 05.99 | 04.92 | 04.21 | 04.35 | 06.52 |
| | BAL | 5.27 | 5.25 | 4.95 | 5.66 | 17.91 |
| Total assets Turnover ratio | HMC | 04.28 | 03.96 | 02.84 | 02.78 | 02.62 |
| | BAL | 2.00 | 1.71 | 1.27 | 1.31 | 1.39 |

Source:CMIE & Money control.com



As regards to the Total assets Turnover ratio (TATR), the Table 3 highlights a high TATR which is identified in HMC during the first year of the study period and thereafter a gradual decrease is notified till the last year of the study period, however in case of TATR in BAL, it is found to be 2.00 (2015/16) which is the maximum TATR during the period of study.

Findings and Conclusion

It is found from the analysis that almost high profit margin in all profitability measures have been registered in both the selected companies during the period of study. Altogether, a high fluctuation is also noticed in all the measures of profitability of the companies during the period of study. In all, the current ratios of the selected two companies are found to be less the rule of thumb during the entire years of the study period. Moreover, as the liquidity ratios of the two selected companies during the entire five years of the study period are found to be less than the standard liquid ratio 1, it indicates that the companies may not be able to fully pay off its current liabilities in the short term. Furthermore, a high variation is also noticed in all efficiency ratios such as ITR, DTR, FATR and TATR of the selected companies during the period of study.

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