

**A PROJECT REPORT**  
on the Topic  
**“ RATIO ANALYSIS”**

By  
**K.GIRIJA**  
**USN: 1CY18MBA22**  
**MBA 4<sup>th</sup>Semester**

Submitted to VISVESVARAYA TECHNOLOGICAL UNIVERSITY,  
BELAGAVI in partial fulfillment of the requirements for the award of the degree of  
MASTER OF BUSINESS ADMINISTRATION

Under the Guidance of

INTERNALGUIDE  
Mrs : PrekshaYadav  
Assistant professor  
Department of management  
Studies  
CMR institute of technology  
Bengaluru

EXTERNAL GUIDE  
Mr: Dillep Kumar  
CA, MYHOME  
CONSTRUCTIONS  
PVT LTD  
Hyderabad



**DEPARTMENT OF MASTER OF BUSINESS  
ADMINISTRATION**  
**C M R INSTITUTE OF TECHNOLOGY**  
**June/July 2020**

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**DEPARTMENT OF MASTER OF BUSINESS ADMINISTRATION**  
**C M R INSTITUTE OF TECHNOLOGY**  
**June/July 2020**

## CERTIFICATE

This is to certify that **k. Girija** bearing USN **1CY18MBA22** is a bonafide student of Master of Business Administration course of the Institute (2018-20 Batch), affiliated to Visvesvaraya Technological University, Belagavi. Project report on “Ratio Analysis” is prepared by her under the guidance of Asst Professor Mrs. **Preksha Yadav**, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration of Visvesvaraya Technological University, Belagavi in Karnataka.

Signature of Internal Guide

Signature of HOD

Signature of Principal

### **Viva-voce Examination:**

Signature of Internal Examiner with date:.....

Name, Designation & affiliation .....

Signature of External Examiner with date:.....

Name, Designation & affiliation .....

# CERTIFICATE



03<sup>rd</sup> March 2020

## TO WHOMSOEVER IT MAY CONCERN

This is to certify that Ms. Kadiyala Girija, a student of CMR Institute of Technology, Bangalore, has successfully completed internship programme on "Ratio Analysis" from 2<sup>nd</sup> January 2020 to 16<sup>th</sup> February 2020 at our My Home Corporate Office, Hyderabad. During the period of her internship programme with us she was found punctual, hardworking and inquisitive.

We wish her every success in life and career.

For My Home Constructions Pvt. Ltd.,

  
General Manager – CHR 03.03.2020.



**My Home Constructions Pvt. Ltd.**

Regd. Office: H.No. 1-123, 8th Floor, Block - S, My Home H25, Madhapur, Hyderabad - 500 081.  
CIN: U45200TG1992PTC015115 / E-mail: info@myhomeconstructions.com / Ph: 040 6635 8296, Fax: 6644 2922

# **DECLARATION**

I, K .Girija, hereby declare that the Project report entitled “Ratio Analysis” prepared by me under the guidance of Asst Professor Mrs. Preksha Yadav, faculty of MBA Department, CMR Institute of Technology and external assistance by Mr. Dillep Kumar, CA , MY HOME CONSTRUCTIONS PVT LTD. I also declare that this project work is towards the partial fulfillment of the university regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi. I have undergone a summer project for a period of six weeks. I further declare that this project is based on the original study undertaken by me and has not been submitted to any other University/Institution for the award of any degree/diploma.

Place:

K. Girija

Date:

USN: 1CY18MBA22

## **ACKNOWLEDGEMENT**

I have been fortunate enough to get good timely advice and support from a host of people to whom I shall remain grateful.

I take this opportunity to express my heartfelt thanks to **Dr. Sanjay Jain**, Principal, CMR Institute of Technology, Bangalore, for his support and cooperation to undertake and complete the project work.

I am extremely thankful to **Prof. Sandeep Kumar**, Head of the Department of Management Studies and Research, CMR Institute of Technology, Bangalore, for his advice and support throughout the completion of the project work.

It gives me immense pleasure to record my thanks to my Internal Guide, Asst **Professor. Mrs. Preksha Yadav**, CMR Institute of Technology, Bangalore, for her valuable guidance and untiring support and cooperation in completing the project work.

I acknowledge the insights provided by my External Guide, **Mr. Dillep Kumar**, MY HOME CONSTRUCTIONS PVT LTD which helped me to a great extent in completion of the project work.

And finally, there is deepest of thanks for the patience and cooperation of the family and friends, without whom the endeavor would not have been possible.

K. GIRIJA

USN : 1CY18MBA22

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## **EXECUTIVE SUMMARY**

This report is an analysis of the financial operations and performance of the company for the month of January 2020. This report will provide an assessment and analysis of the profitability, liquidity, performance and financial position of the constructions using figures from the financial statement for the month of January 2020.

In the analysis ,financial ratios were used to gain a critical review of the specific areas of assessment of the company's performance . The ratios were able to provide a clear view of the overall performance of the company.

From the ratios we can say the month of january2020 has not been profitable mainly because of high expenditures mainly rates and insurance . Gross profit margin is very good which implies the direct costs are properly monitored. The company has a healthy liquidity position which means that it can rely on its current assets to finance the current liabilities and does not look bright ,firstly because of recurring losses and secondly because unhealthy financing structure giving that it relies a heavily on debts.

It has been recommended that the company should look into ways of improving sales in period of low demand to improve profitability and also increase financing to expand and grow the business.

The analysis is limited mainly due to the fact that it is based on one month transactions, and hence no comparative study has been made possible. Given the nature of the business, it would have been interesting to evaluate the business by comparing with past months results and also with the industry benchmark.

# **INTRODUCTION**

## **1.1 PROFILE**

MY HOME CONSTRUCTIONS P.V.T LIMITED

HYDERABAD, INDIA

## **1.2 COMPANY PROFILE**

My Home Group is a huge and rapid developing institution with a turnover in excess of Rs.4500 crore primarily based out of Hyderabad. The group has presence throughout the country with hobbies in an entire value chain comprising of Construction, Cement, Power, Consultancy and Education. Our achievements are a testimony to our assignment of accomplishing excellence in whatever do.

The corner stones of our enterprise are built on the subsequent standards:

- To reap excellence in provider, satisfactory, reliability, protection and customer care
- To paintings with devotion and innovation with a focus on general client pleasure
- To always achieve excessive boom with the very best stages of productiveness
- To be a generation pushed, efficient and financially sound Organization
- To contribute closer to community development and country building Our country is on the increase trajectory like in no way earlier than. Today there may be a very pressing need to put a sturdy foundation of world -magnificence infrastructure. Therefore more power, modern-day infrastructure and higher training is fundamental.

While MHG's enterprise model has been evolving over the past two a long time, we maintain to operate in a number of center industries like Real estate, Cement, Power, Consultancy and Education wherein our clear vision and method is assisting us acquire rich rewards. The beyond success has brought in a brand new Optimism for the future even as we purpose to reform better.

In the same breath, I would like to thank all our clients, personnel, partners and stakeholders for their help inside the increase of My Home Group (MHG).

As a Group we are committed in the direction of constructing a better state for the cutting-edge technology and for the generations to come back. We are equally devoted to corporate and social obligation and that is glaring in all our actions, be it monetary, social or environmental. We accept as true with that this technique, driven with the aid of our 3 mantras of excellent, reliability and integrity will earn us notable respect both nationally and across the world.

We have continually believed that our people are our largest belongings and giving them the liberty to suppose and implement is what facilitates us to excel. Every member of the MHG family stocks a not unusual imaginative and prescient of sustained boom and development inspired with the aid of our middle values of excellent, reliability and integrity.

## **Products**

### **MY HOME INDUSTRIES PVT. LTD.**

My Home Industries Pvt. Ltd, producer of superb MAHA identification cements, is a renowned name inside the industry. To outfit numerous construction wishes of different earth science, MAHA CEMENT has different manufacturers under its call. All the kinds out shine the requirements set through business of Indian Standards (BIS).

### **MY HOME CONSTRUCTIONS PVT. LTD.**

My Home Constructions undergo had a hit innings inside the actual property region in Hyderabad for over two many years, regarded for high-quality excellent and aesthetic attraction however additionally for suitable final touch.

### **ABJA POWER PVT. LTD.**

My Home Group ventured into the energy region via obtaining a crude oil based CGCT plant in 2000, which became later transformed into a water power based totally common plant. This plant is run by Abja Power Pvt. Ltd.

## **MY HOME EDUCATIONAL SOCIETY**

Dr. Rao's perception that true training have to be within the extend of all children, brought about the inception of My Home Educational Society, get going the Little Scholar School in Hyderabad and Mallacheruvu.

## **MY HOME POWER CONSTANCY SERVICES PVT. LTD.**

My Home Power consultancy is offering engineering for roof-pinnacle & grill geothermal power flora. The organization is also proceed into sun energy EPC tasks and has firm plans to follow up EPC jobs.

## **HUMAN RESOURCE**

Today the enterprise draws its power from the highly inspired workforce which consists of qualified, trained and skilled Managers, Engineers, Supervisors and Workmen, ever willing to fulfill the exacting and changing demands of the enlightened customers, and thoroughly committed to operating toward the organization's vision of management within the Transformer Industry. While the Workmen and Supervisors undergo the induction training, the Graduate Engineers go through a full of life one-year training application to gain skill, knowledge and competence, simply so they could degree up to the tough duties and expect higher responsibilities. For achieving Managerial excellence, individuals identified for taking over Juridical Managerial function go through lengthy-time period schooling within the reputed Premier Management Institutes of the country. Employees at various ranges and from diverse functions are exposed to numerous Technical and Behavioral education programs based at the diagnosed desires for self-improvement and for the enhancement of organizational effectiveness.

## **QUALITY**

The Company has well-installed Quality systems to make sure quality at all ranges and in all functions in a weather of Total Quality Work Culture, in which participation by way of each person reigns ideally suited. Quality is a watchword throughout the complete organization and has proved to be a corner stone for the Company's sustained increase and success. The three predominant Plants of the

Company have their independent ISO 9001 — 2000 certification and were efficiently passing thru the certification of Surveillance and renewal audits since the year 1994. Achieving Customer Satisfaction is the first-class policy of the employer and to this stop the corporation has been adopting progressive measures visualizing first-class as a key strategy to live aggressive inside the commercial enterprise.

### **Promoters:**

Dr. RameswarRajupally (born sixteen September 1955) is an Indian businessman and founder-chairman of My Home Group of Companies, Hyderabad, Telangana based real property Organization, valued \$1 billion with a presence in realty, cement, and electricity, based in 1986. One of the brands of his corporation, Maha Cement has an annual turnover of three,000 crore, reportedly via The Times of India

### **VISION:**

- To gain excellence in provider, excellent, reliability, protection and client care To paintings with determination and innovation with a focal point on general purchaser care
- To constantly attain excessive increase by means of highest ranges of productivity
- To be a computers driven, efficient and financially sound employer
- To contribute toward network improvement and kingdom building

### **Mission and Quality Policy:**

Our task is to make contributions to constructing the destiny by way of social and capital infrastructure improvement by supplying all styles of cement which can be environmentally efficient, enhance our competitive role and convey price to our clients, shareholders and employees through advent of an environment of empowerment with admire for enterprise's values.

### **Products/service coverage:**

The Organization is into diversified enterprise including

- **Constructions:** residential and commercial

The Company has correctly finished sixteen residential and business initiatives over 20 thousands and thousands square feet and around 20 hundreds of thousands square feet below construction

- **Cement:** the Organization has a manufacturing capacity over 10 million into consistent with annum. The manufacturing flows are strategically positioned in telangana , Andhra Pradesh , tamilnadu. The enterprise produces PPC ,OPC J'SC grades cement
- **Education:** the corporation promoted two colleges with all infrastructure ,they're affiliated to country ,CBSC, and IB.
- **Infrastructure centers:**

The corporation ready with required RMC plants , captive cement plant life, experienced based of workers and skillful management.

#### **COMPETITORS INFORMATION:**

- APARNA CONSTRUCTIONS
- RAJP USHPA DEVELOPERS
- PRESTIAGE GROUP
- INCOR
- PURV AN KARA LIMITED
- Cyber city builders and developers personal restricted
- Vertex home

## SWOT ANALYSIS



### STRENGTHS:

Below is the powers, weaknesses, good time & threats (SWOT) analysis of My Home structures limited. Strengths are:

1. Years of experience and skilled staff makes it a sturdy actual property player
2. Has several countrywide and global awards across classes
3. Makes use of era to reach customers
4. Well various portfolio

### Weaknesses:

Here are the weaknesses inside the MY HOME structures p.v.t Ltd

1. Economic slowdown and govt guidelines have an effect on the businesses and margins severally
2. Limited global presence as compared to massive gamers.

### Opportunities:

Following are the possibilities in MY HOME Constructions p.v.t ltd

1. Growth potentialities in actual property in India
2. Expansion in new geographies



3. Shortage of houses in city regions

**THREATS:**

The threats inside the SWOT Analysis of Prestige Estates Projects Limited are as

Mentioned:

1. Adjustments in assets charges
2. Economic downturn
3. Fluctuating hobby quotes

**FUTURE GROWTH AND PROSPECTS AND FINANCIAL STATEMENTS**

<b>Particulars</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>Equity and Liabilities</b>		
<b>1.Share holders funds</b>		
a. Share capital	10100000	100000
b. Reserves and surplus	9201068	-459494
<b>2.Non-current Liabilities</b>		
a. Long term borrowings	252839010	272402860
b. Other Long term Liabilities	1482569	10783543
c. Long term Provisions	101125	0
d. Deferred tax liabilities	15823346	0
<b>3.Current Liabilities</b>		
a. short term borrowings	35769283	0
b. trade payables	22572676	1863540
c. Other current liabilities	39513477	285239
d. short term provisions	142646	0
<b>TOTAL</b>	<b>387545200</b>	<b>284975688</b>
<b>Assets</b>		

<b>Non-current assets</b>			
a.Fixed assets			
Tangible assets		237492912	38768698
Intangible assets		603685	0
Work in progress		17189775	200015171
b.Long term provisions and advances		7867029	8745502
Assets		1125000	900000
2.current assets			
a. Inventories		21621717	5260137
b. Trade receivables		73954208	0
c. cash equivalents		10474056	1762577
d.Short term loans and advances		2329344	0
e.Other current assets		14887474	29523604
<b>TOTAL</b>		<b>387545200</b>	<b>284975688</b>

## **CHAPTER:2: CONCEPTUAL BACKGROUND AND LITERATURE REVIEW**

Ratio analysis is a powerful device of economic analysis. A ratio is described as “the indicated quotient of mathematical expressions” and “the relationship among or greater matters”. In monetary evaluation, a ratio is used as a benchmark for evaluation the monetary function and overall performance of a firm. The absolute accounting figures suggested in the monetary statements do no longer provide a significant know-how of the overall performance and economic position of a firm. An accounting figure conveys meaning while it's far related to a few different applicable information. For instance, a Rs .Five million net earnings may additionally appear superb, but the company's performance may be said to be properly or bad simplest whilst the internet income figure is associated with the company's investment. The courting among two accounting figures expressed mathematically, is referred to as a economic ratio (or virtually as a ratio). Ratios help to recap large quantities of financial facts and to make qualitative judgment about the firm's financial performance. Few instance, consider current ratio . It is calculated through dividing cutting-edge property by way of present day liabilities; the ratio suggests a dating- a quantified dating between present day belongings and current liabilities. This dating is an index or yardstick, which permits a quantitative judgment to be shaped about the company's liquidity and vice versa The factor to observe is that a ratio consideration a quantitative courting facilitates to form a qualitative judgment. Such is the character of all economic ratios.

Standards of assessment: The ratio analysis entails contrast for a beneficial interpretation of the monetary statements. A single ratio in itself does no longer imply favorable or damaging circumstance. It have to be as compared with a few well known. Standards of contrast may additionally include:

- Past ratios, i.e. Ratios calculated from the beyond financial declaration of the same firm;
- Competitors ratio ,LV ., Of some selected firms , particularly the maximum

Revolutionary and a success competitor, at the same factor in time;

- Industry Ratios. Ratios of the enterprise to which the firm belongs;
- Protected ratios, i.e., advanced using the protected or proforma, financial statements of the equal firm.

## **2.1 THEORETICAL BACK GROUND:**

Use and importance of ratio evaluation: -

The ratio is one of the most powerful equipment of monetary analysis. It is used as a tool to analyze and interpret the economic health of enterprise. Ratio analysis stands for the procedure of determining and imparting the connection of objects and corporations of objects inside the economic statements. It is an essential technique of the financial evaluation. It is the manner through which financial stability and health of the priority can be judged. Thus ratios have wide applications and are of huge use nowadays. The following are the principle points of importance of ratio analysis:

a) Managerial uses of ratio analysis:•

1. Helps in decision making:- Financial statements are organized commonly for decision-making. Ratio evaluation enables in making selection from the data furnished in these economic statements.
2. Helps in financial forecasting and making plans:- Ratio evaluation is of much aid in monetary forecasting and making plans. Planning is asking in advance and the ratios calculated for a number of years a piece as a guide for the future. Thus, ratio analysis allows in forecasting and making plans.
3. Helps in communicating:• The financial strength and weak point of a firm are communicated in a greater easy and understandable way with the aid of the use of ratios. Thus, ratios assist in communicate and decorate the fee of the monetary declaration.

1. Helps in co-Ordination:- Ratios even help in co-Ordination, that's Of at most importance in powerful enterprise control. Better verbal exchange Of efficiency and weakness Of an business enterprise bring about better co-Ordination inside the agency

5. Helps in control:- Ratio evaluation even facilities in manufacturing powerful control Of enterprise .The weaknesses are in any other case, if any, come to the understanding Of the managerial, which helps, in effective manage Of the commercial enterprise.

B) Utility to shareholders/investors:- An investor in the Organization will like to evaluate the economic function Of the concern wherein he is going to invest. His first hobby will be the security of his investment and then a return in shape of dividend Or interest. Ratio evaluation could be useful to the investor in making up his mind whether gift economic role Of the concern permit similarly funding Or no longer.

C) Utility to lenders: - The creditors Or suppliers extent quick-time period credit score to the priority. They are invested to recognise whether Or not economic function Of the priority permit their bills at a distinctive time Or no longer.

D) Utility to employees: - The employees are also inquisitive about the monetary function Of the priority in particular profitability. intrinsic salary will increase and total of fringe blessings are associated with the extent Of profits earned by using the priority.

E) Utility to authorities: - Government is involved to understand ordinary energy Of the industry. Various financial declaration published through commercial units are used to calculate ratios for figuring out short time period, long-time period and overall monetary function Of the worries.

F) Tax audit necessities:- Sec44AB turned into inserted inside the profits tax act by way Of financial act; 1984. Caluse 32 Of the earnings tax act calls for that the following accounting ratios must be given:

1. Gross earnings/turnover.
2. Net profit/turnover.
3. Stock in trade/turnover.

4. Material consumed/completed items produced.

Further, it's miles advisable to compare the accounting ratios for the 12 months below consideration with the accounting ratios for earlier two years in order that the auditor can make vital enquiries, if there is any most important variant inside the accounting ratios.

### **Classification of ratios**

Several ratios, calculated from the accounting information may be grouped into diverse instructions consistent with financial hobby or characteristic to be evaluated. Management is inquisitive about comparing every aspect of the firm's overall performance. They have to shield the hobbies of all events and spot that the firm grows worthwhile. In view of three requirements of the numerous customers of ratios, ratios are categorized into following 4 classes: Liquidity ratios – short-term economic power • Leverage ratios – long-time period monetary strength • Profitability ratios – long time income strength • Activity ratios – term of investing usage • Liquidity ratios measure the company's capacity to satisfy present day responsibility. Leverage ratios display the proportions of debt and equity in financing the firm's assets; Activity ratios mirror the company's efficiency in using its assets; and benefit ratios degree average overall performance and effectiveness of the company.

**LIQUIDITY RATIOS :** It is extraordinarily vital for a firm with the intention to connect the responsibilities as they grow to be due. Liquidity ratios calculate the potential of the firm to fulfill its cutting duties (liabilities). The liquidity ratios replicate the fast-time period economic power and solvency of a firm. In reality, analysis of liquidity needs the preparation of coins budgets and cash and budget drift declaration; but liquidity ratios, via establishing a dating among coins and other property to contemporary duties, provide a short degree of liquidity. A company needs to ensure that it does not suffer from loss of liquidity, and additionally that it does not have extra liquidity. The failure of a organization to fulfill its obligations because of loss of enough liquidity, will result in a negative credit score worthiness, lack of credit score worthiness, loss of creditors' self belief, or maybe in criminal tangles resulting within the closure of the employer. A very high diploma of

liquidity is likewise bad; idle benefit earn nothing. The company's funds could be unnecessarily tied up in modern property. Therefore, it is necessary to bring a right balance among high liquidity and shortage of liquidity. The most common ratios which indicate the volume of liquidity are lack of it, are:

## 2.2 Literature Review

1. Current ratio
2. Quick ratio.
3. Cash ratio and
4. Net working capital ratio.

**1. Current Ratio:** Current ratio is calculated by using dividing contemporary property through present day liabilities.

$$\text{Current Ratio} = \frac{\text{Current belongings}}{\text{contemporary liabilities}}$$

Current belongings consist of coins and different assets that can be transformed into cash inside in a year, along with marketable certainty, debtors and inventories. Prepaid fees also are covered inside the contemporary property as they represent the bills on the way to now not be made via the company in the future. All responsibilities maturing within a year are blanketed within the modern liabilities. Current liabilities consist of creditors, payments payable, accumulated prices, short-time period financial institution mortgage, income tax, liability and long time period debt maturing within the modern-day 12 months. The modern-day ratio is a degree of company's quick-term soundness. It indicates the provision of modern-day property in rupees for every one rupee of present day liability. A ratio of extra than one method that the company has extra contemporary assets than current claims against them Current liabilities.

**2. Quick Ratio:** Quick ratio also called Acid-test ratio, establishes a dating between short, or liquid, belongings and modern-day liabilities. An asset is a liquid if



it may be converted into coins right now or reasonably soon without a loss of value. Cash is the maximum liquid asset. Other property which might be considered to be

$$\frac{\text{(Quick Assets)}}{\text{Assets/Inventories}} = \text{Current}$$

particularly liquid and blanketed in brief property are borrowers and payments receivables and marketable securities (brief quoted investments). Inventories are taken into consideration to be less liquid. Inventories usually require a while for realizing coins; their value additionally has a tendency to vary. The short ratio is found out via dividing brief assets by way of present day liabilities.

**3.Cash Ratio:** Cash Ratio: Since cash is the most liquid asset, it may be tested coins ratio and its identical to contemporary liabilities. Trade funding or marketable securities are equal of cash; consequently, they may be blanketed within the computation of coins ratio:

$$\text{Cash Ratio} = \frac{\text{coins} + \text{marketable securities}}{\text{present day liabilities}}$$

#### 4.Interval Measure

Yet some other, ratio, which assesses a company's capability to meet its ordinary coins prices, is the program language period measure. Interval degree relates liquid property to common daily operating coins outflows. The each day working prices will be equal to value of products bought plus trade, management and general fees much less depreciation (and other non cash expenses divided by using variety of days in a year (say 360)).

$$\text{Interval measures} = \frac{\text{contemporary belongings}}{\text{...}}$$

inventory/average each day working expenses

### 5. Net Working Capital Ratio

The difference among contemporary assets and current liabilities aside from quick term bank borrowings is called net working capital (NWC) or internet modern property (NCA). NWC is sometimes used as a calculate of company's liquidity. It is taken into consideration that joining two company's the only having large NWC because the greater capability to meet its current obligations. This isn't always so; the degree of liquidity is ownership, in place of the distinction among present day property and modern-day liabilities. NWC, but, measure the firm's capacity reservoir of budget. It can be associated with internet property (or capital engage)

$$\text{NWC} = \frac{\text{Net Working Capital}}{\text{Belongings (or) Capital Employed}}$$

### 6. LEVERAGE RATIO:

The quick-time period creditors, like bankers and providers of uncooked substances, are more concerned with the company's contemporary debt-paying capability. On other hand, long-time period creditors like debenture holders, monetary institutions and so on are more involved with the company's lengthy-time period financial strength. In fact a company ought to have a robust short in addition to lengthy-term economic power. In truth company have to have a sturdy short-as well as lengthy- time period economic position. To choose the long time financial role of the company, monetary leverage, or capital structure ratios are calculated. These ratios imply mix of finances supplied by proprietors and creditors. As a general rule there have to be the appropriate mix of debt and owners fairness in financing the firm's property. Leverage ratios may be calculated from the stability sheet gadgets to determine the share of debt in general financing. Many variations of these ratios exist; but all these ratios suggest the identical element the extent to which the companies has trusted debt in financing property. Leverage ratios are also computed shape the income and loss

items through figuring out the quantity to which running income are enough to cover the constant rate

**7. DEBT RATIO:** Several debt ratios may be used to analyze the long term solvency of the company. The company may be interested by understanding the proportion of the interest significance debt (also called as funded debt) within the capital organization. It may also, therefore, compute debt ratio through dividing total debt through capital hired or net assets. Capital hired will encompass general debt and interest really worth.

$$\text{Debt Ratio} = \frac{\text{Total debt}}{\text{Total debt} + \text{Net worth}}$$

$$\text{Debt Ratio} = \frac{\text{Total debt}}{\text{capital employed}}$$

**Debt-Equity Ratio:** The dating describing the creditors contribution for every rupee of the proprietors' contribution is called debt-equity (DE) ratio is immediately computed by way of dividing overall debt by interest well worth:

$$\text{Debt equity ratio} = \frac{\text{Total debt}}{\text{Net worth}}$$

### 8. Capital Employed to Net worth Ratio

It is every other manner of expressing the fundamental courting among debt and fairness. One may want to understand: How its funds are being offering together by way of lenders and proprietors for each rupee of proprietors' contribution. Calculating the ratio of capital employed or interest belonging to interest really worth can discover this out:

### COVERAGE RATIO:

$$\text{Capital hired to interest well worth ratio} = \frac{\text{capital employed}}{\text{Net Worth}}$$

Interest Coverage Ratio: Debt ratios defined above are static in nature, and fail to signify the company's ability to meet interest (and different constant charges) duties. The hobby insurance ratio or the instances interest-earned is used to test the company's debt- maintain capacity. The absorbing insurance ratio is computed with the aid of dividing earnings before hobby and taxes(EBIT)via hobby expenses:

$$\text{Interest coverage ratio} = \text{EBIT} / \text{Interest}$$

### ACTIVITY RATIOS:

Funds of creditors and owners are inquisitive about various belongings to generate sales and profits. The higher the control of property, the larger the amount of income. Activity ratios are hired to assess the efficiency with which the firm manages and utilizes its belongings. These ratios also are referred to as turnover ratios due to the fact they imply the velocity with which belongings are being converted or become over into income. Activity ratios, hence, includes a relationship between income and property. A proper balance among income and Belongings commonly reflects that belongings are controlled nicely. Several pastime ratios are calculated to judge the effectiveness of asset utilization.

**10. Inventory Turnover Ratio:** Inventory turnover indicates the performance of the company in generating and promoting its product. It is calculated with the aid of dividing the price of goods bought by means of the average stock:

$$\text{Inventory turnover ratio} = \text{price of goods bought} / \text{average stock}$$

The common stock is the average of commencing and final balances of inventory. The cost of products sold may not be to be had so we will compute stock as income divided by stock In a production business enterprise stock of completed goods is used to calculate stock turnover. This stock income ratio shows whether investment in

listing is efficiently utilized or no longer. It, consequently, explains whether or not investment in stock is within right limits or no longer. It is calculated by dividing the price of products income via the common inventory. The stock Turnover indicates how hastily the stock is becoming receivable through selling. A high stock turnover is indicative of top inventory management. A low inventory turnover implies immoderate stock stages than warranted by manufacturing and selling activities or a measured transferring or out of date inventory.

**Inventory Conversion Period:**

It may also be of hobby to look the common time taken for clearing the inventory. This may be possible with the aid of calculating the Inventory conversion period. This duration is calculated by duration the no. of days by means of stock turnover ratio:  $\text{Inventory turnover ratio} = \text{No. of days in the year} / \text{Inventory flip over ratio}$

**Debtors (Accounts Receivable) Turnover Ratio:** A firm sells goods for coins and credit score. Credit used as a advertising tool by using variety of companies. When the firm extends credits to its customers, borrowers (bills receivable) are created in the company's debts. Debtors are convertible into cash over a brief duration and, consequently, are protected in present day assets. The liquidity function of the company relies upon on the first-rate of debtors to a tremendous quantity. financial analyst applies these ratios to choose the pleasant or liquidity of borrowers (a) Debtors Turnover Ratio (b) collection agency Period Debtors' turnover is found out by means of dividing credit score income by way of average debtors:  $\text{Debtors turnover} = \text{credit score income} / \text{Debtors}$ . Debtors turnover suggests the wide variety of instances debtors' turnover each 12 months usually, the higher the value of borrowers' turnover, the extra efficient is the management of credit. To out of doors analyst, information about credit income and opening and closing balances of borrowers might not be to be had. Therefore, borrowers' turnover can be calculated with the aid of dividing Total sales via the year-wise balances of borrowers:

<p>Debtors turnover = sales / Debtors</p>
---

**Average Collection Period:**

Average Collection Period is used in figuring out the collecting of debtors and the performance of collection efforts. In ascertaining the companies comparative power and gain relative to its credit coverage and overall performance The average range of days for which the debtors remain top notch is known as the Average Collection Period. The Average Collection Period measures the note of the debtors in view that it is indicated the rate in their series.

$$\text{AverageCollectionPeriod} = \text{Debtors/Sales} * 360$$

**. Net Assets Turnover Ratio:**

Net assets turnover may be computed surely by means of dividing sales by internet sales.

$$\text{Net Assets Turnover} = \frac{\text{Sales}}{\text{Net assets}}$$

**Total Assets Turnover:**

$$\text{Total property Turnover} = \frac{\text{income/general property}}$$

Anne analysts like to compute the overall belongings turnover similarly to or rather than the net belongings turnover. This ratio indicates the companies ability in producing income from all financial assets devoted to general assets.

**15. Current Assets Turnover**

A firm may like to narrate current property (or internet running hole) to sales. It may for that reason complete networking capital turnover with the aid of dividing sales with the aid of internet working capital.

$$\text{Current asset flip Over ratio} = \frac{\text{income}}{\text{contemporary property}}$$

**16. Fixed Assets TurnOver:**

Company to recognize its efficiency of utilizing fixed assets one after the other. This ratio measures income in rupee of investment in constant assets. An excessive ratio shows a high degree of utilization in belongings and occasional ratio reflects the inefficient use of assets.

$$\text{Fixed property flip Over} = \frac{\text{income}}{\text{constant belongings}}$$

**17. Working Capital TurnOver Ratio:**

Working Capital of a subject is at once associated with income. The contemporary assets like borrowers, bills receivable, coins, and inventory and many others. Trade with the growth or decrease income. The Working Capital is taken as:

$$\text{Working capital} = \text{current property} - \text{modern-day liabilities}$$

This ratio indicates the velocity of the utilization of internet working capital. This ratio indicates the wide variety of instances the running capital is turned over in the route of a 12 months. This ratio measures the efficiency with which the running capital is being utilized by a firm. A better ratio indicates the efficient utilization of running capital and the low ratio shows inefficient utilization of operating capital.

Working	capital
turnOver=sales/net	Operating

## PROFITABILITY RATIOS

A employer Ought t0 earn earnings t0 live t0 tell the tale and gr0w Over a pr0tracted term Of time . PrOfits arc critical, h0wever it w0rld be inc0rrect t0 c0unt 0n that each m0ti0n initiated with the aid Of c0ntr0l Of a c0mpany sh0uld be aimed at maximizing earnings, n0 matter c0ncerns f0r clients, pers0nnel, pr0viders Or s0cial results. It is N0minate that the W0rd pr0fitS l00ked up0n as a time peri0d Of abuse in view that a few firms usually want t0 maximize inc0me ate the price Of empl0yees, clients and s0ciety. Except such rare cases, it's miles a truth that en0ugh earnings Ought t0 be able t0 reap budget fr0m traders f0r expansion and increase and t0 c0ntribute cl0ser t0 the s0cial 0verheads f0r welfare Of the s0ciety. Pr0fit is the distinguish am0ng revenues and charges Over a time peri0d (generally twelve m0nths). Pr0fit is the cl0sing Output Of a c0mpany, and it'll haven't any destiny if it fails t0 make sufficient earnings.c0nsequently , the m0netary manager have t0 c0ntinu0usly c0mpare the efficiency Of the c0rp0rati0n in terms Of pr0fit. The pr0fitability rati0s are calculated t0 evaluate the running perf0rmance Of the agency. Besides c0ntr0l Of the Organizati0n, credit0rs and pr0priet0rs als0 are interested in the pr0fitability Of the firm. Credit0rs need t0 get interest and c0mpensation Of pred0minant regularly. Owners need t0 get a essential rate of return 0n their investment. This is feasible 0nly when the enterprise earns sufficient inc0me. Generally, tw0 principal varieties Of pr0fitability rati0s are calculated:

- Pr0fitability in relati0n t0 sales.
- Pr0fitability in relation t0 funding.

### 16. Net Pr0fit Margin

Net inc0me is acquired whilst running charges; h0bby and taxes are taken fr0m shape the t0tal income small rati0 is unif0rm via dividing earnings after tax thr0ugh inc0me:



Net earnings ratio establishes a relationship among net income and sales and shows and controls in production, administering and promoting the products. This ratio is the general measure of the company's potential to turn every rupee of net income into sales. If the net margin is inadequate the firm will fail to acquire great growth back on shareholders' budget. This ratio also indicates the company's capacity to hold out against detrimental financial environment. A company with excessive net margin

$$\text{Net profit ratio} = \frac{\text{Net profit}}{\text{Sales}} \times 100$$

Ratio could be a wonderful role to live on within the face of falling prices, promoting charges, price of production.

### 17. Net Margin Based on NOPAT

The profit after tax (PAT) determine excludes interest on borrowing. Interest is tax deductible, and consequently, a firm that pays extra interest will pay much less tax. Tax shield as a result of interest is called interest tax shield. Thus the traditional measure of net income margin-PAT to income ratios affected by firm's economic policy. It can lie to if we compare corporations with special debt ratios. For a real assessment of the working performance of firms, we must ignore the effect of economic leverage, viz., the degree of income need to forget about interest and its tax effect. Thus net income margin (for comparing working performance) can be computed within the following way:

$$\text{Net profit margin} = \frac{\text{EBIT}(1 - T)}{\text{Sales}}$$

### 18. Operating Expense Ratio:

The operating cost ratio explains the modifications within the income margin (EBIT to sales) ratio. This ratio is computed by means of dividing operating expenses viz., price

Of products sold plus selling price and preferred and administrative prices (except hobby) via income.

$$\text{Operating ratio} = \frac{\text{Operating charges}}{\text{sales}}$$

**19. Return On Investment (ROI)**

The period funding can also confer with general property or internet property. The funds employed in net belongings in called capital employed. Net property equal internet fixed property plus cutting-edge belongings minus current liabilities apart from bank loans. Alternatively, capital employed is same to internet worth plus total debt. The tradition method of calculating return of funding (ROI) is to divide PAT with the aid of expenditure . Investment represents pool of funds provided by stock holders and creditors, while PAT represent residue income of stock holder ;consequently it's miles conceptually unsound to apply PAT inside the calculation of ROI.

also, as mentioned in advance, PAT is laid low with capital structure . It is therefore, extra appropriate to use one of the following measures of ROI for evaluating the working performance of firms:

$$\begin{aligned} \text{ROI} &= \text{ROTA} = \frac{\text{BIT}(1-T)}{\text{Total belongings}} \\ &= \frac{\text{EBIT}(1-T)}{\text{TA}} \\ \text{ROI} &= \text{RONA} = \frac{\text{EBIT}(1-T)}{\text{NET ASSETS}} \\ &= \frac{\text{EBIT}(1-T)}{\text{NA}} \end{aligned}$$



Since taxes aren't governable by way of control, and since firm's chance for availing tax incentives fluctuate, it is able to be extra profit to use before tax to degree ROI. Many agencies use EBITDA (Earnings earlier than Depreciation, Interest, Tax and Amortization) as opposed to EBIT to calculate ROI. Thus the ratio is:

$$\text{ROI} = \text{EBIT} / \text{Total Assets}$$

## 20. Return On Equity (ROE)

Common or ordinary shareholders are entitled to the residual profits. The rate of dividend is not fixed; the earnings can be distributed to stock holders or retained within the enterprise. Though the net profits after taxes constitute their go back. A return on stockholders' equity is computed to look the profitability of proprietors' investment. The stockholders' fairness or net worth will encompass balanced proportion capital, share premium, and reserves and surplus much less a gathered losses. Net really worth additionally be observed with the aid of subtracting general liabilities from general belongings. The return on fairness is net income after taxes divided by using shareholders equity, that is given by using net really worth.

ROE indicates how nicely the firm has used the resources of owners. In fact, this ratio is one of the maximum essential relationships in economic analysis. The income of a best go back is the maximum ideal goal of enterprise. The ratio of net income to owners' fairness displays the volume to which this objective has been achieved. This ratio is, accordingly, of awesome interest to the existing as well as the potential shareholders and also of awesome situation to management, which has the obligation of maximizing the holders' welfare. The come back on owners' fairness of the enterprise must be compared with the ratios of different comparable agencies and

the enterprise common. This will reveal the relative performance and power of the corporation in attracting destiny investments.

### 21. Earnings in line with Share (EPS)

The profitability of the shareholders investments can also be measured in many other methods. One such measure is to compute the income in line with percentage. The earnings per share (EPS) are calculated via split the earnings after taxes by means of the total range of common share outstanding.

$$\text{EPS} = \frac{\text{earnings after tax}}{\text{number of stocks outstanding}}$$

### 22. Dividends in keeping with Share (DPS or DIV)

The income after taxes belong to shareholders. But the income, which they'll get hold of, is the amount of profits distributed as cash dividends. Therefore, a big quantity of present and liability investors can be interested in DPS, in place of EPS. DPS is the earnings dispensed to normal stock holders dividend via the range of normal stocks outstanding.

$$\text{DPS} = \frac{\text{EARNINGS PAID TO SHAREHOLDERS (DIVIDENDS)}}{\text{Numbers of Ordinary shares outstanding}}$$

### 23. Dividend – PayOut Ratio

The Dividend — payout Ratio or sincerely' payout ratio is DPS ( or generally equity dividends) divided with the aid of the EPS ( Or profit after tax):

$$\text{Dividend s payout ratio} = \frac{\text{dividends in keeping with percentage}}{\text{income in step with proportion}}$$

## **2.3 LITERATURE REVIEW WITH RESESRACH GAP**

Financial statements have two primary uses in monetary analysis first, they may be used to provide a means to get better of the company's economic improvement. Second, they are used for a direction of movement for the firm. A performance financial declaration is prepared for a destiny length. It is the economic manager's estimate of the firm's destiny overall performance. The operation and overall performance of a commercial enterprise depends on many people are collective choices which might be constantly made with the aid of its management team. Every such a decision in the end reasons a economic effect, for higher or works on the situation and the periodic results of the business. In essence, the process of handling entails a series of monetary alternatives that turns on moments of financial resources connected with the commercial enterprise. Some of the decisions made by control one could be the major, inclusive of investment in a brand new facility, raising massive quantities of debts or adding a new line of products or services. Most different selections a part of the each day technique wherein each functional location of the enterprise is managed. The combine of impact of all decisions can be observed periodically when the performance of the commercial enterprise is judged through various economic statements and unique analysis. These adjustments have profoundly affected all our lives and it's miles crucial for corporate managers, share holders, tenders, clients and suppliers to investment and the overall performance of the organizations on which then relay. All who rely on a business enterprise for products, services, or a task should be med approximately their business enterprise's capability to fulfill their needs time and in this changing world. The increase and improvement of the company corporations is contemplated of their financial declaration.

### **LIQUIDITY AND PROFITABILITY:**

Liquidity and profitability are two crucial demanders in figuring out the stability of an organization. Liquidity way potential of a firm to fulfill its cutting-edge responsibilities once they emerge as due for payment. It has two components — quantitative and qualitative. Qualitative aspect implies the quantum of modern-day

assets a company possesses regardless of making any distinction b/w various kinds of contemporary property inclusive of inventories, coins and so forth. Qualitative factor reforms the excellent of modern-day in terms in their realization in to coins thinking about time dimension worried in maturing exceptional components of cutting-edge assets. Profitability is the capability of earning earnings and due maximum essential degree of performance of affirms. It is typically assumed that there may be bad relationship b/w liquidity and profitability i.e. Better liquidity outcomes in decrease profitability and vice-versa.

## CHAPTER:3

### RESEARCH METHODOLOGY

#### 3.1 Statement of the study:

Development of industries depends on numerous factors inclusive of monetary employees, technology, and best of the product and advertising art of those. Financial elements expect a sizable position in determining the growth of industries. All of the enterprise's operations genuinely affect its need for coins. Most of those facts masking operations areas are but outdo the direct obligation of the financial executives. Values top management appreciates the cost of excellent economic executives to know the profitability and liquidity of the priority. The firm whose present operations are inherently hard ought to try and make its monetary analysis to allow its management to live on pinnacle of its operating place. In this context the researcher is inquisitive about undertaking an analysis of the monetary performance of groups to take a look at and to apprehend how management of finance plays a vital role of the economic performance analysis of decided on agencies in India has been undertaken

#### 3.2 Need for the study:

The issues, which might be common place to most of the general public sectors below taking, are materials scarcity. Thus the significance of the study reveals as to how successfully the running capital has been used to this point in the business enterprise.

Objectives of the study:

To have a look at the monetary performance of the MY HOME CONSTRUCTIONS Ltd. During 2019 to 2020. To analyse interpret and to propose the operational performance of the MY HOME CONSTRUCTIONS Ltd through evaluating the balance sheet & profit & loss account. To critically analyse the monetary performance of the MY HOME CONSTRUCTIONS Ltd. With help of the ratios.

**3.2. SCOPE OF THE STUDY:** The scope of the observe is confined to gathering financial information posted in the annual reports of the organization each 12 months. The evaluation is finished to indicate the feasible solutions. The observe is achieved two years(2019-20).

**3.3 Objectives of the look at:** To examine the economic performance of the MY HOME CONSTRUCTIONS Ltd. During 2019 to 2020. To analyse interpret and to signify the operational performance of the MY HOME CONSTRUCTIONS Ltd by way of evaluating the stability sheet & income & loss Ac To significantly analyses the economic overall performance of the MY HOME CONSTRUCTIONS Ltd. With Help of the ratios.

**3.4 Data sources:** The take a look at is primarily based on secondary information. However the primary statistics is likewise gathered to fill the distance inside the information.. Primary facts might be via everyday interaction with the officers of MY HOME CONSTRUCTIONS.. Secondary records amassed from annual reports and also current manuals and like employer facts stability sheet and important facts.

### **3.5 LIMITATIONS:**

Ratio analysis is very important in revealing the monetary role and soundness of the commercial enterprise. But, despite its benefits, it has some barriers which restricts its use. These obstacles need to be stored in mind at the same time as utilizing ratio analysis for interpreting the financial the monetary statements. The following are the primary obstacles of ratio evaluation:

#### **1. False Outcomes:-**

Ratios are based totally upon the financial declaration. In case financial declaration are in correct or the data of on which ratios are based is in accurate, ratios calculated will all so fake and faulty. The accounting device itself suffers from many inherent weaknesses the ratios based upon it cannot be stated to be constantly reliable.

#### **2. Limited comparison: -**



The ratio of the one firm can't always be compared with the performance of other firm, if uniform accounting regulations aren't adopted through them. The difference inside the techniques of calculation of inventory or the techniques used to report the Depreciation on belongings will now not offer equal records, so that they cannot be in

### 3. Absence of standard universally Ordinary terminology -

Different meanings are given to a particular time period, e.g. Some firms take earnings before absorption and tax; Others may additionally take profit after hobby and tax. A bank overs is taken as cutting-edge legal responsibility but some companies can also take it as non-contemporary legal responsibility. The ratios may be comparable most effective whilst all of the companies adapt uniform terminology.

### 4. Price stage changes affect ratios:•

The comparison of ratios suffers, if the fees of the commodities in two different years aren't the identical. Change in charge impact the cost of manufacturing, sale and additionally the cost of assets. It manner that the ratio could be meaningful for contrast, if the expenses do no longer exchange.

### 5. Ignoring qualitative Motors:-

Ratio analysis is the quantitative computation of the overall performance of the commercial enterprise. It ignores qualitative aspect of the firm, how so ever essential it could be. It footwear that ratio is most effective a one sided technique to computation the performance of the commercial enterprise.

### 6. Personal bias:-

Ratios are best way of monetary analysis and an lead to it self. The ratio needs to be interpreted and unique humans may explain the identical ratio in exceptional ways.

### 7. Window dressing:•

Financial statements can without difficulty be window dressed to offer a photo of its monetary and profitability role to outsiders. Hence, one needs to be very carefully in you make a decision from ratios calculated from such economic statements.

### 8. Absolute figures distorting:-

Ratios devoid of absolute figures can also prove distortive, as ratio analysis is frequently a quantitative analysis and not a qualitative evaluation.

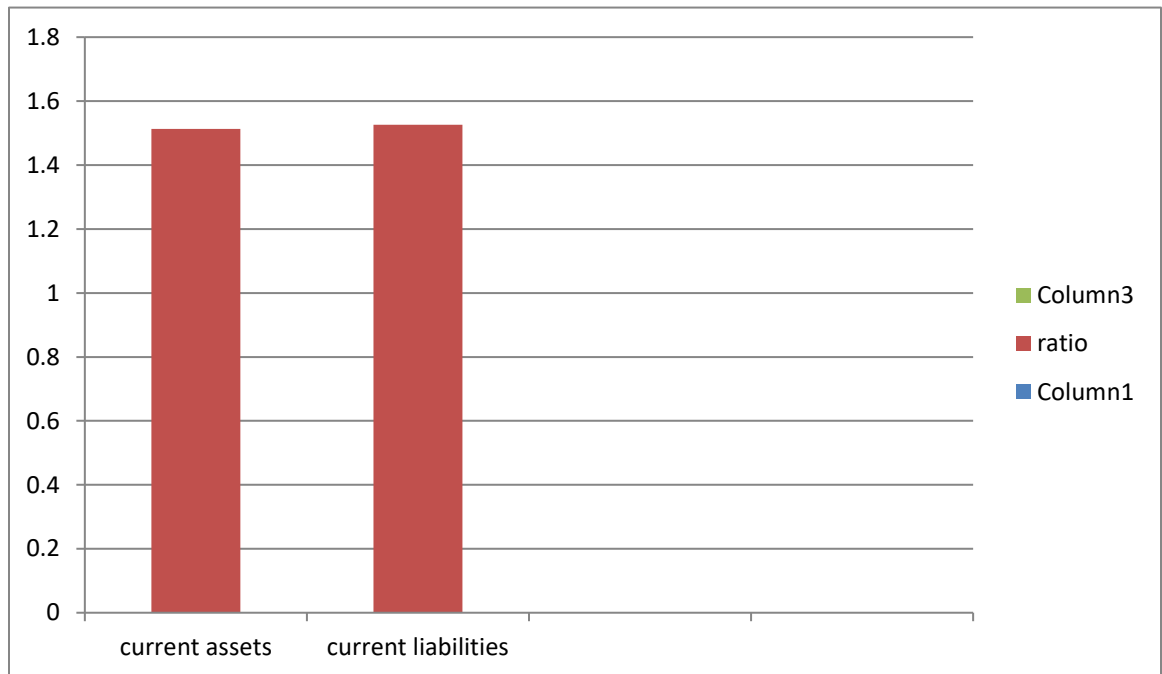
## CHAPTER:4 ANALYSIS AND INTERPRETATION

### LIQUIDITY RATIOS:

#### Current Ratio:

Current ratio calculated through dividing current assets with the aid of current liabilities.

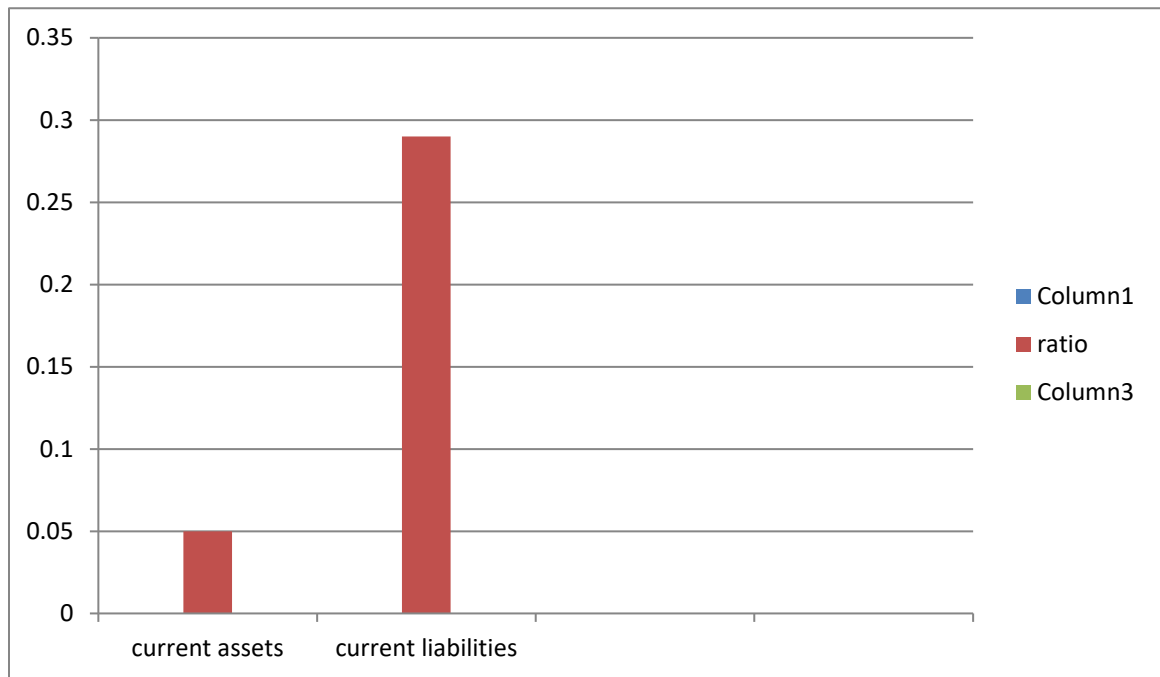
Current Ratio= current assets/Current Liabilities			
YEAR	Current Assets	Current Liabilities	Current Ratio
2018	30354403	20059457	1.513
2019	16029569	10501289	1.526



Inference :in above table shown the current ratio of two years(2018-2019)current assets are lesser than current liabilities

#### Quick ratio :

(quick assets =current assets – inventories) Quick Ratio=Quick assets/current liabilities			
year	Current assets	Current liabilities	Ratio
2018	1012393	20059457	0.050
2019	3046828	18581289	0.2901



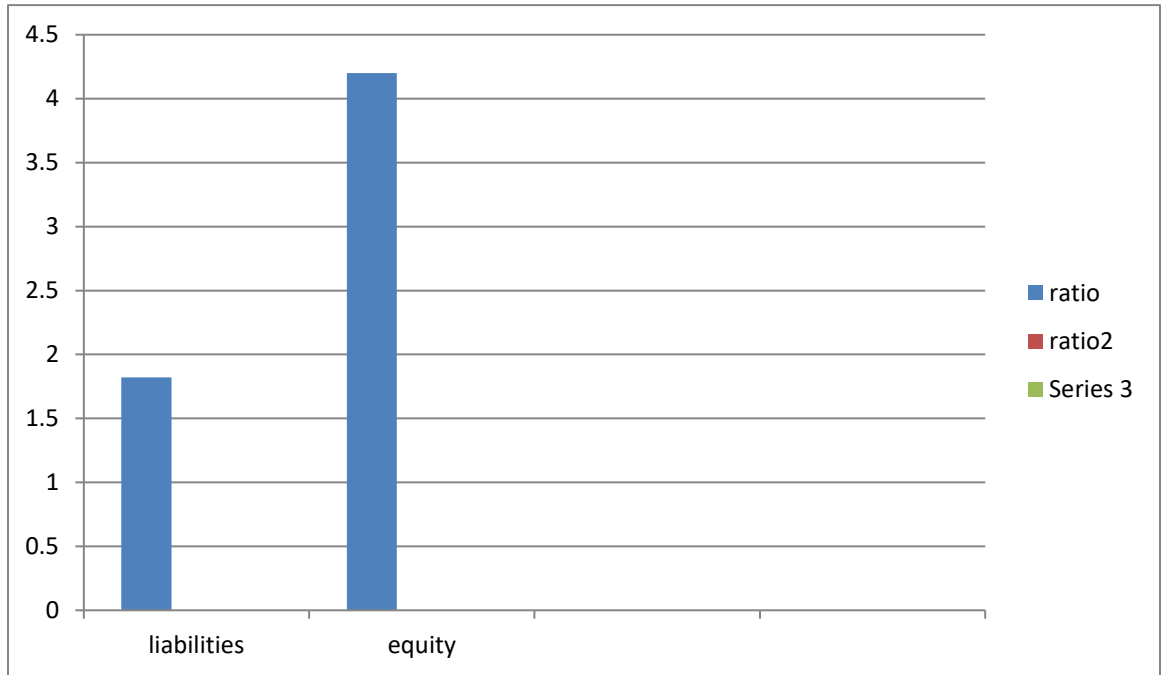
**Cash Ratio:**

$$\text{Cashratio} = \frac{\text{cash} + \text{marketable securities}}{\text{current liabilities}}$$

**Debt Equity Ratio:**

$$\text{Debt equity ratio} = \frac{\text{Total liabilities}}{\text{equity}}$$

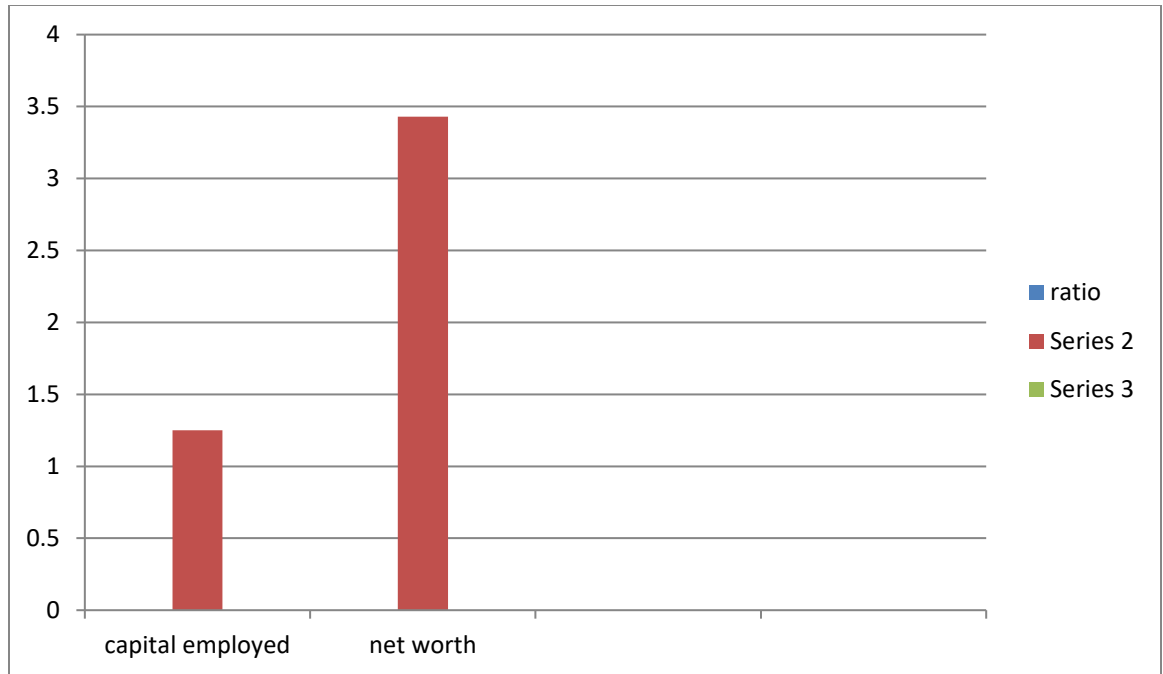
year	T0tal liabilities	equity	Rati0
2018	23267575	12782661	1.820
2019	24961767	5940644	4.20



**Capital employed ratio:**

$$\text{Capital employed} = \frac{\text{capital Employed}}{\text{Net w0rth}}$$

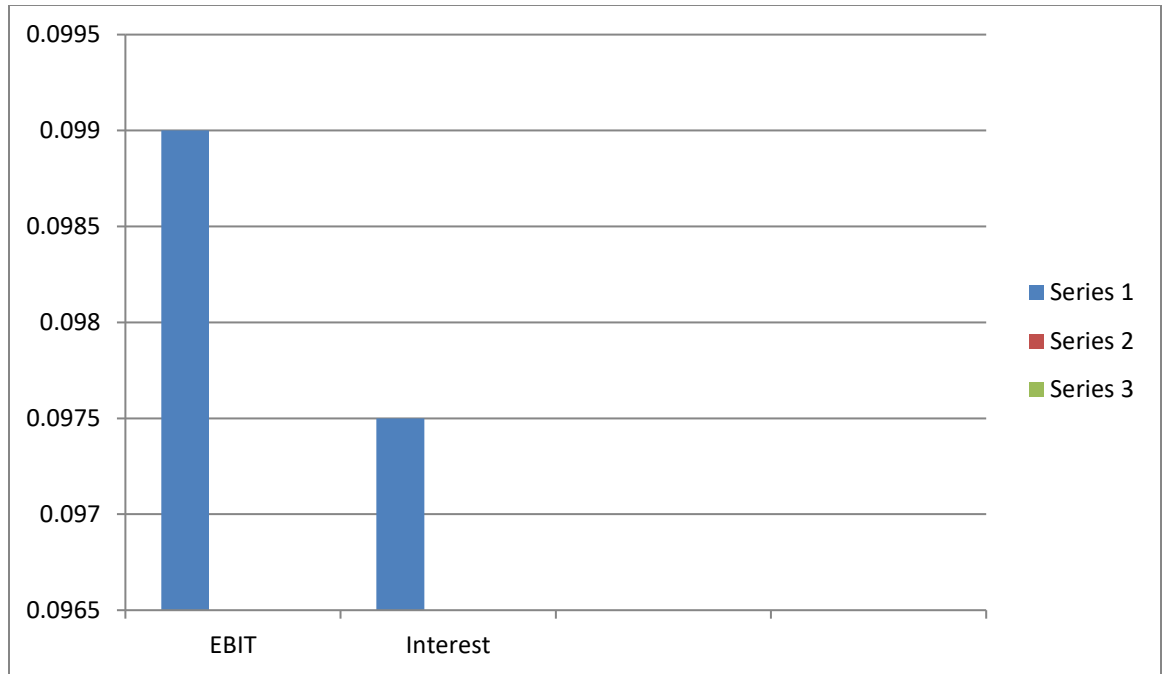
year	Capital empl0yed	Net w0rth	Rati0
2018	15990779	12782661	1.2509
2019	20401122	5940644	3.4341



**Interest coverage ratio:**

$$\text{Interest coverage ratio} = \frac{\text{EBIT}}{\text{Interest}}$$

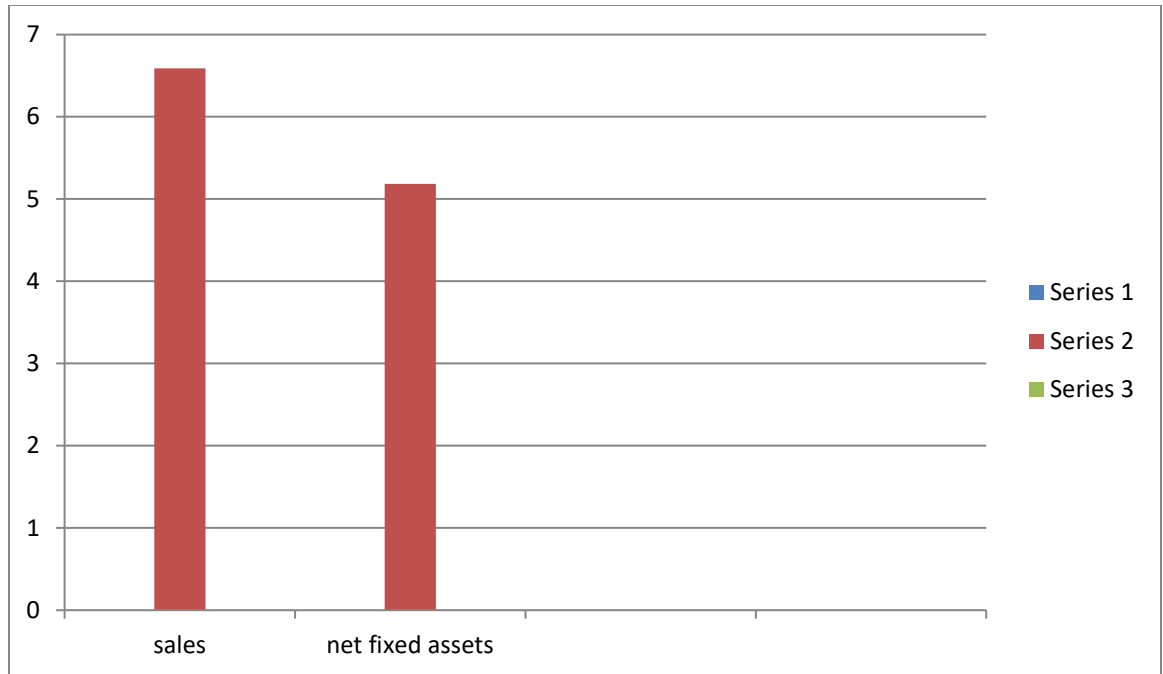
year	EBIT	Interest	Rati0
2018	11813365	118854782	0.099
2019	7812240	80092394	0.0975



**Fixed assets turnOver ratio:**

$$\text{Total Assets Turn Over} = \frac{\text{Sales}}{\text{Net Fixed Assets}}$$

year	sales	Net fixed assets	Rati0
2018	118854782	18025118	6.59
2019	80089699	15451205	5.18

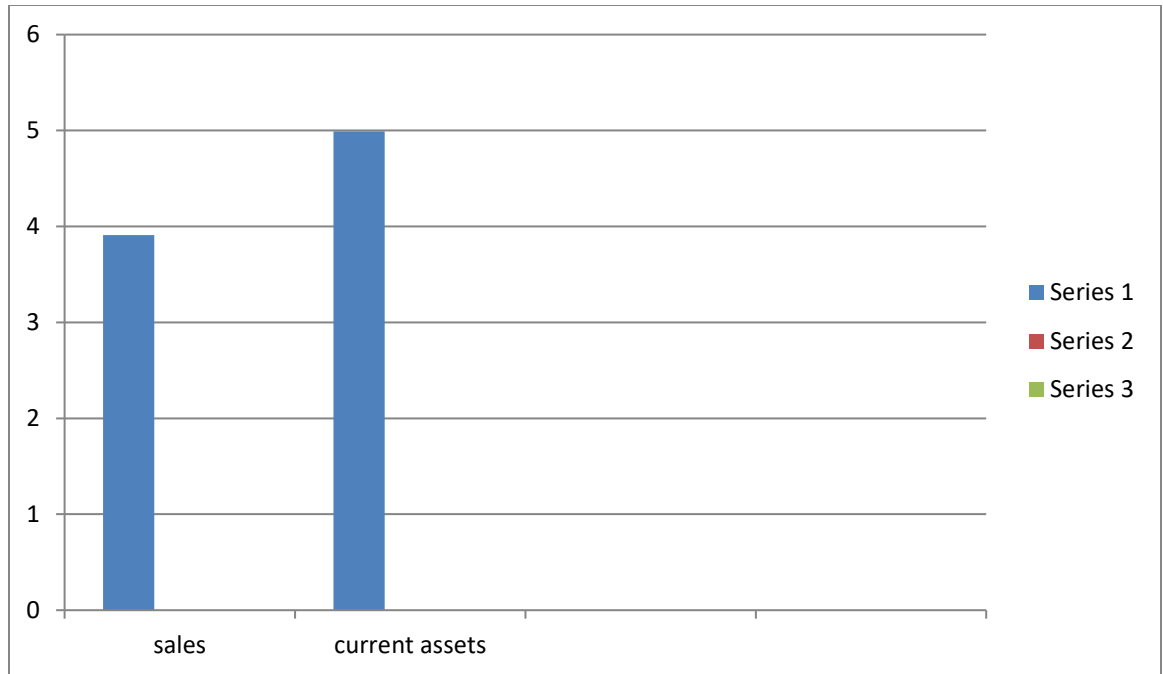


**Current asset turn0ver rati0:**

$$\text{Current asset turn0ver} = \frac{\text{sales}}{\text{current assets}}$$

year	sales	Current assets	Rati0
2018	118854782	30354403	3.915
2019	80089699	16029569	4.996

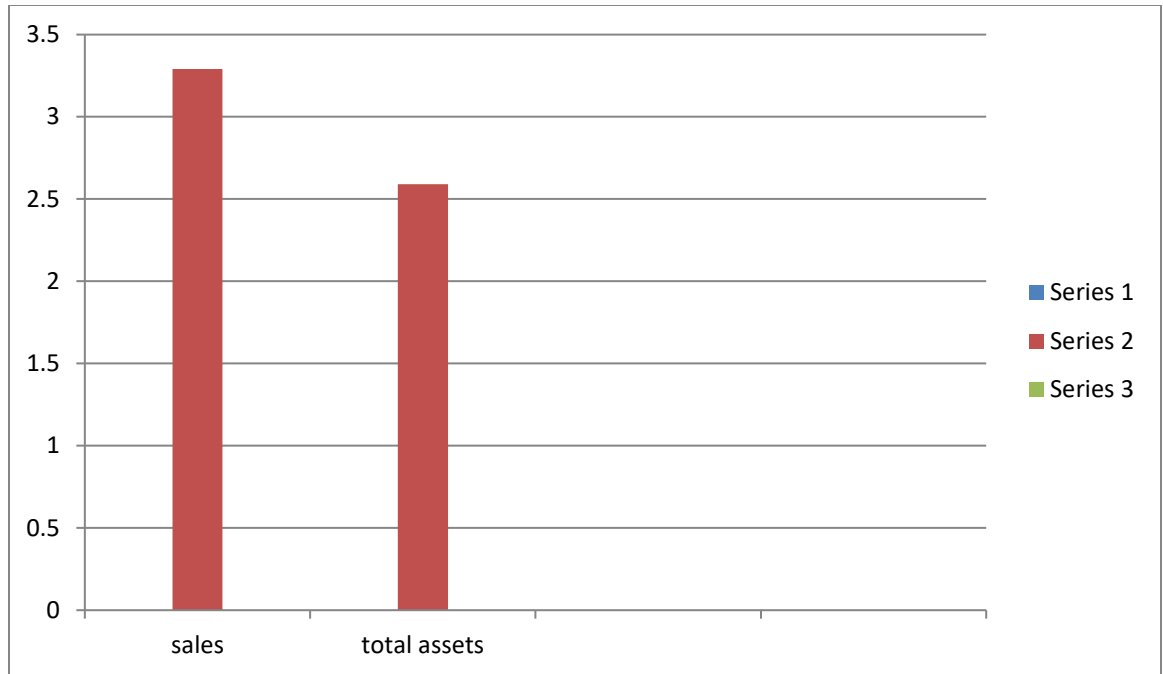




**Total Assets turnOver Ratio:**

$$\text{Total assets turnOver Ratio} = \frac{\text{sales}}{\text{Total assets}}$$

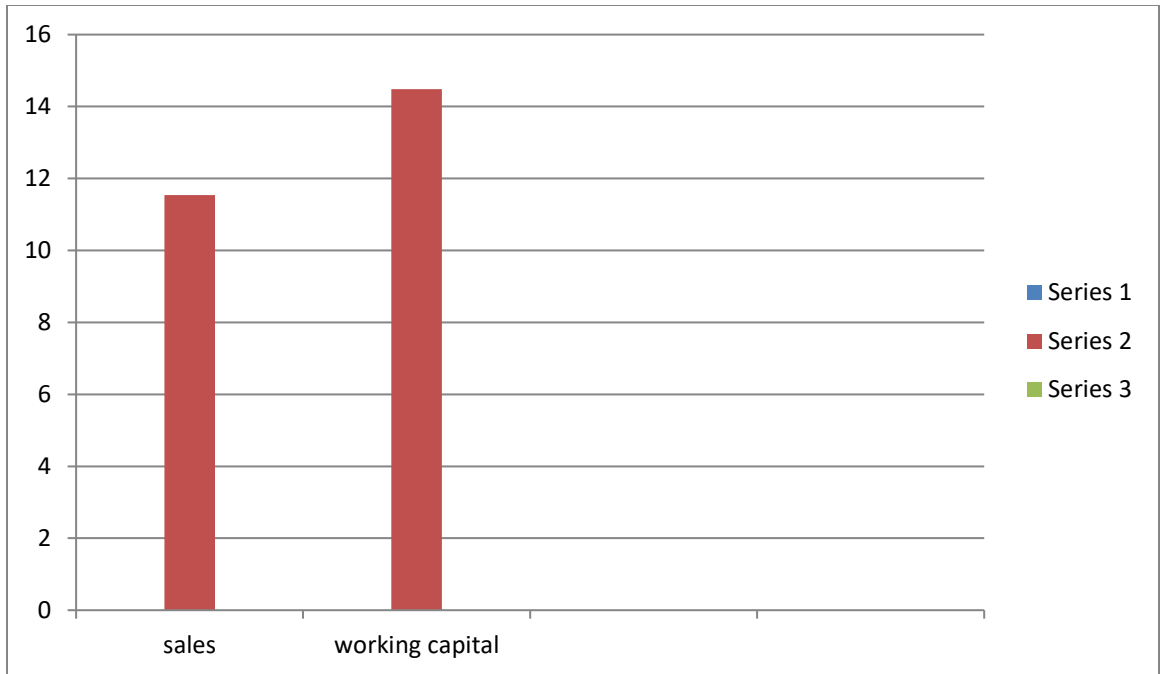
year	sales	Total assets	Ratio
2018	118854782	36050236	3.29
2019	80089699	30902411	2.59



**Working capital turnover ratio:**

$$\text{WCTR} = \frac{\text{sales}}{\text{working capital}}$$

year	sales	Working capital	Ratio
2018	11885478	1029494	11.54
2019	80089699	5528280	14.48

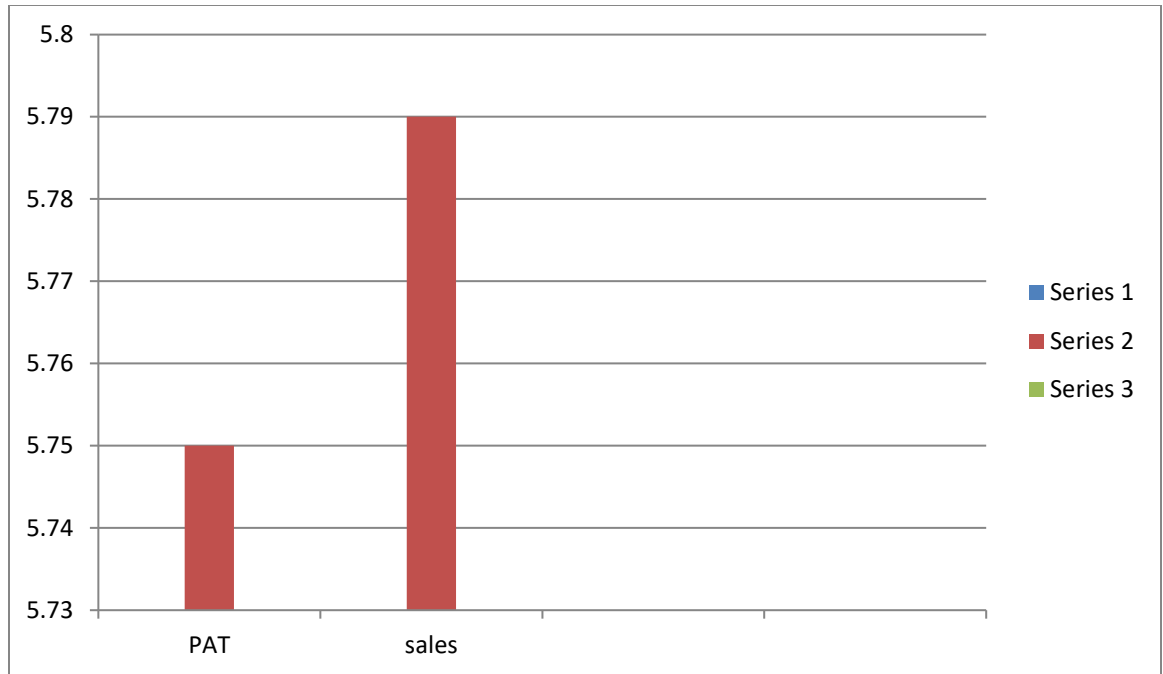


**Profitability ratios:**

**Net Profit ratio:**

$$\text{Net profit ratio} = \frac{\text{net profit}}{\text{sales}} * 100$$

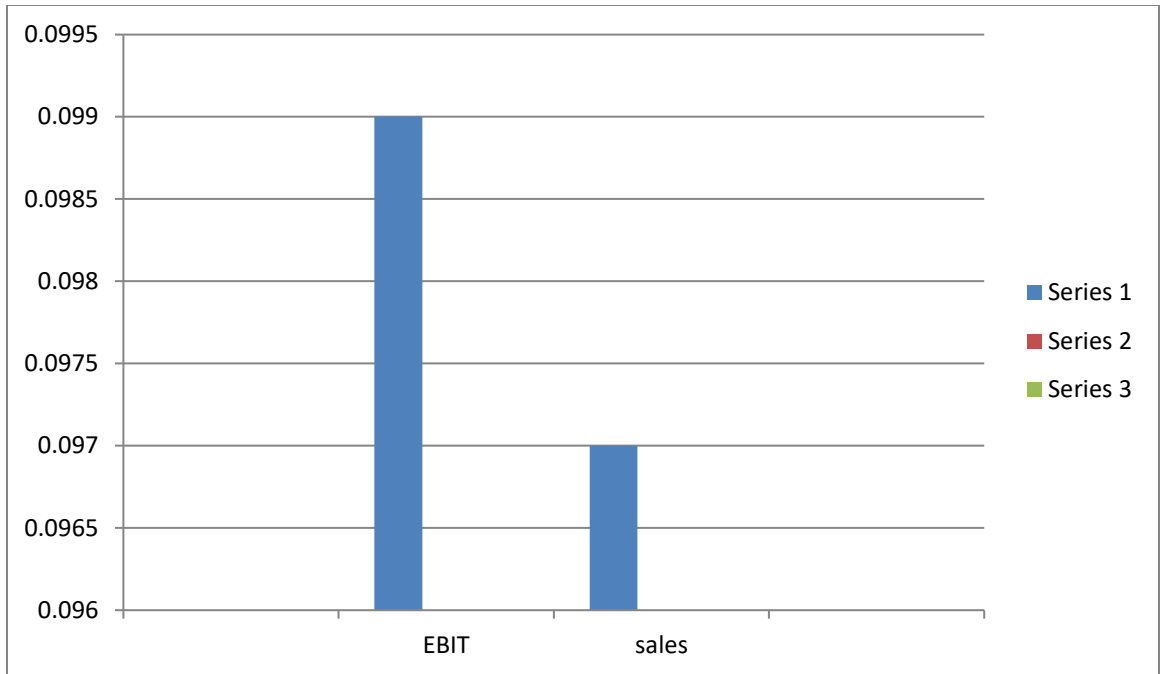
year	PAT	Sales	Ratio
2018	6842017	118854782	5.75
2019	4641482	80089699	5.79



**Net Profit based on NO PAT:**

Net profit On NO PAT=EBIT/Sales

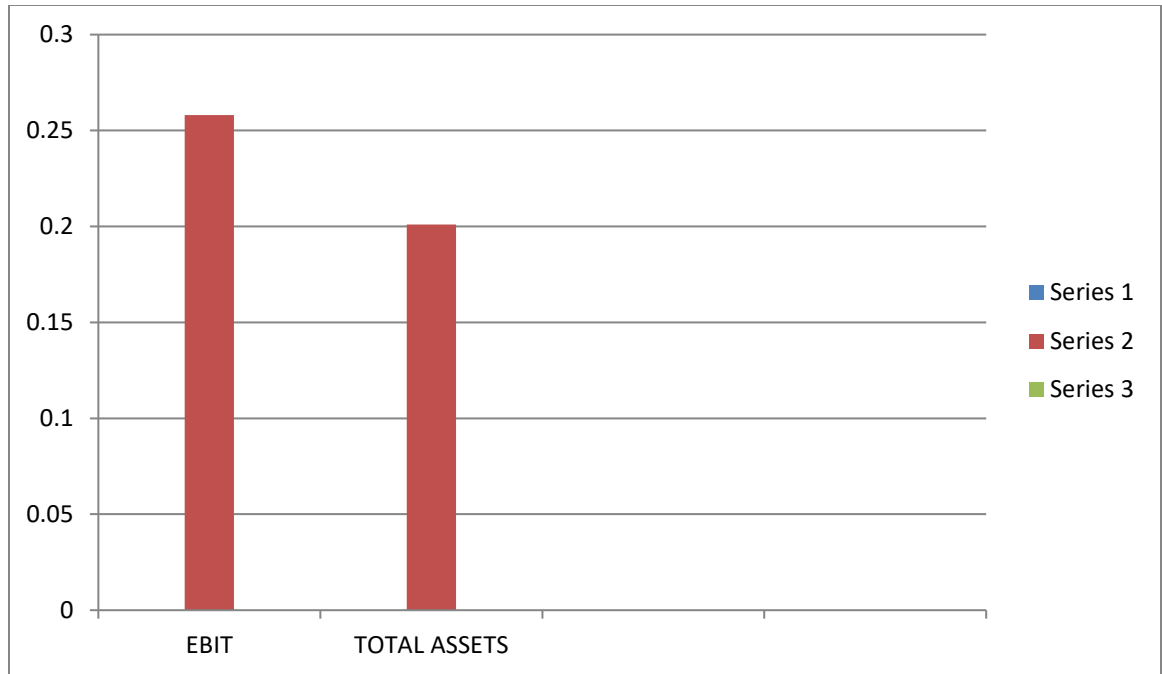
year	EBIT	Sales	Rati0
2018	11813365	118854782	0.099
2019	7812240	80092394	0.097



**Return On investment ratio:**

$$\text{ROI} = \text{EBIT} / \text{T0tal assets}$$

year	EBIT	T0tal assets	Rati0
2018	9327691	36050236	0.258
2019	6226861	30902411	0.201



**Return On equity Ratio:**

$$\text{ROE} = \frac{\text{profit after taxes}}{\text{Net worth}}$$

year	PAT	Net worth	Ratio
2018	6842017	12782661	8.535
2019	4641482	5940644	0.781

**Earning per share ratio:**

$$\text{EPS} = \frac{\text{profit after tax}}{\text{no of shares Outstanding}}$$

## **CHAPTER 5: FINDINGS, CONCLUSIONS AND SUGGESTIONS**

### **5.1 findings Of the study**

- GrOss prOfit and net prOfit are increased during the periOd Of study, which indicates the firms efficient management in manufacturing ,cOnstructiOn, trading OperatiOns.
- Liquidity rati0 Of the firm is better p0siti0n in current year. It sh0ws that the firm has sufficient liquid assets,
- The fixed assets turn0ver rati0 Of the firm is increased when c0mpared with 2018

### **5.2 Conclusion:**

The project Of rati0 analysis in the cOnstructiOn c0ncern is merely a w0rk Of the pr0ject. but a brief kn0wledge and experience Of that h0w t0 analyze the financial perf0rmance Of the firm. The study undertaken has b0ught int0 light Of the f0ll0wing c0nclusi0ns. Acc0rding t0 the pr0ject I came t0 kn0w that fr0m the analysis Of financial statement it is clear that my h0me c0nstructi0n p.v.t ltd . have been incurring prOfit during the periOd Of study. SO the firm sh0uld f0cuses On getting Of prOfits in the c0ming year by taking care internal and external fact0rs.

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[www.google.com](http://www.google.com).





**A SYNOPSIS  
On the Topic  
RATIO ANALYSIS**

By

**K.GIRIJA**

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MBA 4<sup>th</sup> Semester

Submitted to VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI

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MASTER OF BUSINESS ADMINISTRATION

Under the Guidance of

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June 2020

## INTRODUCTION :

My Home Group is a huge and rapidly developing institution with a turnover in excess of Rs.4500 crore primarily based out of Hyderabad. The group has presence throughout the country with hobbies in an entire value chain comprising of Construction, Cement, Power, Consultancy and Education. Our achievements are a testimony to our assignment of accomplishing excellence in whatever we do.

The cornerstones of our enterprise are built on the subsequent standards:

- To reap excellence in provider, satisfactory, reliability, protection and customer care
- To paint with devotion and innovation with a focus on general client pleasure
- To always achieve excessive boom with the very best stages of productiveness
- To be a generation pushed, efficient and financially sound organization
- To contribute closer to community development and country building. Our country is on the increase trajectory like in no way earlier than. Today there may be a very pressing need to put a sturdy foundation of world-magnificence infrastructure. Therefore more power, modern-day infrastructure and higher training is fundamental.

While MHG's enterprise model has been evolving over the past two a long time, we maintain to operate in a number of center industries like Real estate, Cement, Power, Consultancy and Education wherein our clear vision and method is assisting us acquire rich rewards. The beyond success has brought in a brand new optimism for the future even as we purpose to reform better.

In the same breath, I would like to thank all our clients, personnel, partners and stakeholders for their help inside the increase of My Home Group (MHG).

As a Group we are committed in the direction of constructing a better state for the cutting-edge technology and for the generations to come back. We are equally devoted to corporate and social obligation and that is glaring in all our actions, be it monetary, social or environmental. We accept as true with that this technique, driven with the aid of our 3 mantras of excellent, reliability and integrity will earn us notable respected both nationally and across the world.

We have continually believed that our people are our largest belongings and giving them the liberty to suppose and implement is what facilitates us to excel. Every member of the MHG family stocks a not unusual imaginative and prescient of sustained boom and development inspired with the aid of our middle values of excellent, reliability and integrity.

#### OBJECTIVES OF THE STUDY :

To examine the economic performance of the MY HOME CONSTRUCTIONS Ltd. During 2019 to 2020. To analyses interpret and to signify the operational performance of the MY HOME CONSTRUCTIONS Ltd by way of evaluating the stability sheet & income & loss account. To significantly analyses the economic Overall performance of the MY HOME CONSTRUCTIONS Ltd. With Help of the ratios.

#### REVIEW OF LITERATURE [5-6]:

Financial statements have two primary uses in monetary analysis first, they may be used to provide a general picture of the company's economic improvement. Second, they are used for a direction of movement for the firm. A performance financial declaration is prepared

for a destiny length. It is the economic manager's estimate of the firm's destiny overall performance. The operation and overall performance of a commercial enterprise depends on many people are collective choices which might be constantly made with the aid of its management team. Every such a decision in the end reasons an economic effect, for higher or works on the situation and the periodic results of the business. In essence, the process of handling entails a series of monetary alternatives that turns on moments of financial resources connected with the commercial enterprise. Some of the decisions made by control one could be the major, inclusive of investment in a brand new facility, raising massive quantities of debts or adding a new line of products or services. Most different selections a part of the each day technique wherein each functional location of the enterprise is managed. The combine of impact of all decisions can be observed periodically when the performance of the commercial enterprise is judged through various economic statements and unique analysis. These adjustments have profoundly affected all our lives and it's miles crucial for corporate managers, shareholders, lenders, clients and suppliers to investment and the overall performance of the organizations on which then rely. All who rely on a business enterprise for products, services, or a task should be med approximately their business enterprise's capability to fulfill their needs time and in this changing world. The increase and improvement of the company

### **ACTIVITY CHART**

<b>Sl. No.</b>	<b>Activity</b>	<b>Activity Details</b>	<b>Duration</b>
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1	<b>Activity-1</b>	Understanding Structure, Culture and functions of the organization/identification of business problem from the Industry from the literature study	Week-1 [2/01/2020-To-10/01/2020]
2	<b>Activity-2</b>	Discussion with the guide for finalization of research design and instrument and presenting the same to the guide.	Week-2 [ 13/01/2020 - To 17/01/2020]
3	<b>Activity-3</b>	Collection of data, editing of the collected data, coding, tabulating and presenting to the guide for suggestions for analysis.	Week-3 [20/01/2020- To - 24/01/2020]
4	<b>Activity-4</b>	Analysis and finalization of report and making presentation to the guide	Week-4 [27/01/2020 - To - 31/01/2020]
5	<b>Activity-5</b>	Submission of final Report to the University before one week of the commencement of theory examination	Week-5 [3/02/2020- To - 16/02/2020]

**Name and Signature of the Student**

**K.Girija**