

**“ A STUDY ON FINANCIAL PERFORMANCE WITH SPECIAL REFERENCE
TO H&C SOLUTIONS, MUVATTUPUZHA, ERNAKULAM ”
PROJECT REPORT**

Submitted in partial fulfilment of the requirement for the award Degree
MASTER OF BUSINESS ADMINISTRATION



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2020-2022

UNIVERSITY OF CALICUT

BONAFIED CERTIFICATE

Certified that this paper report “**A STUDY ON FINANCIAL PERFORMANCE WITH SPECIAL REFERENCE TO H&C SOLUTIONS, MUVATTUPUZHA, ERNAKULAM**” is a bonafied work of **Ms. STENIYA M JAMES (YPAUMBA055)** who carried out this project work.

Place: Pongam, Koratty East

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Prof. Dr. Jacob P M

DIRECTOR, NBS

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BONAFIED CERTIFICATE

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Place: Pongam, Koratty East

Date:

Mr. Mohammed Jasir P V

Assistant Professor, NBS

Company's certificate

DECLARATION

I, Steniya M James, hereby declare that the Project Report entitled “**A STUDY ON FINANCIAL PERFORMANCE WITH SPECIAL REFERENCE TO H&C SOLUTIONS, MUVATTUPUZHA, ERNAKULAM**” has been prepared by myself and submitted to the University of Calicut in partial fulfillment of requirements for the award of the Master of Business Administration is a record of original work done by me under the supervision of Mr. Mohammed Jasir P V of Naipunnya Business School, Pongam, Koratty East, Thrissur.

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Date:

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Place: Pongam, Koratty East

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CHAPTER 1
INTRODUCTION

1.1 INTRODUCTION TO STUDY

Financial statements are actually reports intended for distinct but unidentified user groups. If users do not analyze and interpret such reports for decision-making from their own perspectives, they lose their significance. Financial statements present facts, but not all facts have the same implications for everyone. Users' needs and circumstances are diverse. As a result, the factual statement needs to be examined and interpreted in the context of the particular users' requirements. Anyway, the two components of a continuous process are financial statements and financial statement analysis. The financial statement's primary goal is to provide information and help readers understand the firm's financial aspects, so their relationship needs to be classified. Therefore, just as important as financial decisions is the preparation of the financial statement.

In order to evaluate a company's performance or value, financial statement analysis examines its balance sheet, income statement, and statement of cash flows. Investors can use a variety of techniques, such as horizontal, vertical, or ratio analysis, to build a more complex picture of a company's financial profile. When analyzing a company's financial statements, analysts primarily employ three main techniques. A horizontal analysis starts with a comparison of past data. For a variety of time periods, horizontal analysis is frequently used to pinpoint growth trends. Second, vertical analysis assesses the interrelationships between various financial statement elements. As an example, a cost item might be expressed as a percentage of the company's revenue. Ratio analysis, which contrasts line-item data, is the last step in the analysis of fundamental equity. Price-to-earnings ratios, earnings per share, and dividend yield are a few examples of ratio analysis. A number of ratios on a company's income statement can be looked at by an analyst to determine how successfully it generates profits and shareholder value. For instance, the difference between sales and costs will be shown by the gross profit margin. If the business has a higher gross profit margin than its competitors, this might be a positive sign for the enterprise. Applying a horizontal analysis to the operating trends of the company, the analyst may also notice that the gross profit margin has been rising over the past nine fiscal periods.

1.2 STATEMENT OF THE PROBLEM

Financial statement analysis means such a treatment of the information contained in the two statements as to afford a full diagnosis of the profitability and financial position of H&C solutions, Muvattupuzha. financial statement analysis is largely a study of relationship among the various financial factors in a business as disclosed by a single set of statements. The main function of financial analysis is the pinpointing of the strength and weakness of a business undertaking by regrouping and analysis of figures contained in the financial statements, by making comparisons of various components and examining their content. With this background “financial analysis of H&C Solutions, Muvattupuzha” is the topic chosen for the study.

1.3 OBJECTIVES OF STUDY

To study financial statement analysis of H&C Solutions

- To conduct financial statement analysis of H&C Solutions
- To evaluate liquidity position of H&C Solutions
- To study and compare the past performance with current performance
- To analyze the impact of debtors and sales on profitability position of the company

1.4 SIGNIFICANCE OF THE STUDY

The significance of the study is evaluating the financial statement analysis of H&C Solutions. The study provides conceptual understanding of the past performance with current performance. It also provides deep insights into fundamentals of financial statement and various forces influencing the impact of debtors and sales on profitability position of the company. The study has been carried out to determine whether the company is in a position to raise the cash needed to meet the daily activities. The study reviews the performance of the company for the period of 6 years from 2015 to 2021, as revealed by the annual reports and other accounting records of H&C Solutions. The study also provides

suggestions based upon findings. They may serve as for drawing out the future plans for future.

1.5 SCOPE OF THE STUDY

The central idea of the study is to evaluate the financial statements and analyze the financial position of the company. The studies conducted using 6 years financial data from 2015-2021.

1.7 LIMITATIONS OF THE STUDY

- The topic of this study very board and comprehensive. Availability of short period of time is the core constrains for the deep study about the topic.
- The data is mainly collected from secondary sources which may suffer from the insource limitations.
- Some of the information required for the in-depth analysis of receivables management were not disclosed and kept confidential.

1.8 INDUSTRY PROFILE

The Indian air conditioner market is anticipated to grow at a CAGR of 6.08% from 2017 to 2027F, reaching USD6,054.96 million. The rise in e-commerce sales, rising GDP, rising per capita income, and rising industrial demand are the main factors driving the India air conditioner market.

Residential air conditioners dominate the AC market share in all segments as a result of the growth in new housing societies, the strengthening of the expanding household sector, and the establishment of SMEs. In the upcoming years, demand for air conditioners will also rise due to an increase in the number of construction projects in metro and tier-2 cities.

The residential market, which is the main end-user of air conditioners, is expected to grow significantly, which will contribute to the market's anticipated growth. Air conditioners are in high demand in the residential sector due to improved living standards among Indian

consumers. Another significant end-user of air conditioners who has experienced rapid growth over the past ten years is the expanding commercial sector. The production and manufacture of air conditioners were impacted by the COVID-19 pandemic. Due to the lockdown, both supply and demand in the market for air conditioners significantly decreased as production activity was halted, which had a short-term negative impact on market growth.

Smaller Cities Drives the Market Growth

A sizeable portion of India's air conditioner sales are attributed to growing demand from small cities, especially those with a population of under a million. In Patna, Lucknow, Kanpur, Indore, Mangalore, and Visakhapatnam, air conditioners are in high demand.

Two central air conditioning companies, Daikin and Voltas, have started to make investments in these cities. In addition, LG and Voltas might experience an increase in air conditioner sales in tier II and III cities over the next few years.

Rising Standards of Livelihoods is Fueling the Market Growth

The rising standard of living in India and the widening selection of deals and discounts have an impact on the demand for air conditioners in that country's market. Companies like Daikin, Panasonic, Hitachi, Voltas, Blue Star, Havells, and Syska are among those that have applied to manufacture essential air conditioner components in order to meet the needs of the country.

Additionally, in order to make their products more accessible to customers of all income levels, businesses are now offering their products on equated monthly instalments (EMI). These elements are anticipated to have an impact on the rise in air conditioner sales in India.

Increasing Innovations in Air Conditioner Market Growth

To meet the demand for energy savings, manufacturers are focusing on product innovation. Window inverter air conditioners, which employ Dual Inverter technology and use considerably less energy than conventional air conditioners, have been introduced by companies like LG.

In addition, manufacturers are working to provide features like seamless Wi-Fi connectivity and inverter-based air conditioners due to the highly competitive market environment, which is anticipated to propel growth in the India air conditioners market in the coming years.

Market Segmentation

Based on the product type, end user, region, and competitive environment, the India air conditioning market is divided into sub-segments.

The market is divided into segments based on product types such as Split, Window, VRF, Chillers, and others such as Cassette, Ductable Splits, etc.

The market is divided into three categories based on the end user: residential, commercial, and industrial. The regional market segmentation, which is divided among the north, west, south, and east regions, is studied as part of the market analysis.

Voltas Limited, Daikin Air conditioning India Pvt. Ltd., LG Electronics India Pvt. Ltd., Blue Star Limited, Johnson Controls-Hitachi Air Conditioning India Limited, Panasonic India Private Limited, Samsung India Electronics Private Limited, Haier Appliances India Pvt. Ltd, Havells India Pvt. Ltd, Carrier Midea India Private Limited, and others are among the major market players in the air conditioner industry that led the market growth of the India air conditioner market.

Blue Star is India's leading air conditioning and commercial refrigeration company, with an annual revenue of over ₹ 6045 crores (778 million USD), a network of 31 offices, 5 modern manufacturing facilities and two new state-of-the-art facilities being set up, 2621 employees, and 3950 channel partners. The Company has 7500 stores for room ACs, packaged air conditioners, chillers, cold rooms as well as refrigeration products and systems, along with 1172 service associates reaching out to customers in over 900 towns. Blue Star's integrated business model of a manufacturer, contractor and after-sales service provider enables it to offer an end-to-end solution to its customers, which has proved to be a significant differentiator in the marketplace. In fact, every third commercial building in India has a Blue Star product installed.

The Company fulfils the cooling requirements of a large number of corporate, commercial as well as residential customers. Blue Star has also forayed into the residential water purifiers business with a stylish and differentiated range including India's first RO+UV Hot & Cold water purifier; as well as the air purifiers and air coolers businesses. The Company also offers expertise in allied contracting activities such as electrical, plumbing, fire-fighting and industrial projects, in order to offer turnkey solutions, apart from execution of specialised industrial projects.

Blue Star's other businesses include marketing and maintenance of imported professional electronics and industrial products and systems, which is handled by a wholly owned subsidiary of the Company called Blue Star Engineering & Electronics Ltd.

The Company has manufacturing facilities at Dadra, Himachal Pradesh, Wada and Ahmedabad, which use modern, state-of-the-art manufacturing equipment to ensure that the products have consistent quality and reliability. The Company has a manufacturing footprint of about 1 lakh sq. m, with the mainstay of product development and R&D being energy-efficiency, coupled with eco-friendly and sustainable products.

In accordance with the nature of products and markets, business drivers, and competitive positioning, the lines of business of Blue Star can be segmented as follows:

Electro-Mechanical Projects and Packaged Air Conditioning Systems

This business segment covers the design, manufacturing, installation, commissioning and maintenance of central air conditioning plants, packaged/ducted systems and Variable Refrigerant Flow (VRF) systems, as well as contracting services in electrification, plumbing and fire-fighting. After-sales services such as revamp, retrofit and upgrades also form part of this segment. Blue Star is the largest after-sales AC&R service provider in India, maintaining around 2 million TR of equipment. Its 24x7 call centre handles over 1 million service calls a year. Blue Star is present right from understanding the customer requirement to hassle-free project execution and committed after-sales service i.e. throughout the life cycle of the air conditioning system.

Unitary Products

Blue Star offers a wide variety of contemporary and highly energy-efficient room air conditioners for both residential as well as commercial applications. It also manufactures and markets a comprehensive range of commercial refrigeration products and cold chain

equipment. Besides, the Company has water purifiers, air purifiers and air coolers in its product portfolio.

Professional Electronics and Industrial Systems For over six decades, Blue Star has been the exclusive distributor in India for many internationally renowned manufacturers of hi-tech professional electronic equipment and services, as well as industrial products and systems. It has carved out profitable niches for itself in most of the specialised markets it operates in, such as Industrial Products and Systems, Non Destructive Testing, Testing Machines, Data Communication Products & Services, Testing and Measuring Instruments and Healthcare Systems. This business is managed by the Company's wholly owned subsidiary, Blue Star Engineering & Electronics.

SWOT ANALYSIS OF H&C SOLUTIONS

SWOT analysis is a framework for identifying and analyzing an organization's Strengths, Weaknesses, Opportunities and Threats. These words make up the SWOT acronym.

The primary goal of SWOT analysis is to increase awareness of the factors that go into making a business decision or establishment a business strategy. To do this SWOT analysis the internal and external environment and the factors that can impact the viability of a decision. SWOT analysis is simple framework for generating strategic alternative from situation analysis.

SWOT analysis of H&C Solutions is explained below:

STRENGTH

- ❖ Large pools of skilled workers are available at competitive wages.
- ❖ Has well developed processing infrastructure with world class processing plants.
- ❖ Good customer relationship

WEAKNESS

- ❖ Lack of expertise and resources for retail marketing
- ❖ Delay during the transportation due to natural hazards and longer distance coverage.

OPPORTUNITIES

- ❖ Expansion of electric appliances outlets
- ❖ Potential to create a better image and higher value for production
- ❖ Huge untapped market
- ❖ Improving capacity utilization of existing plants.

THREAT

- ❖ Shortage of inventory
- ❖ Government regulations and restrictions, pricing.

1.9 COMPANY PROFILE

H & C solution, the channel partner of Blue Star Limited, the leaders in Industrial & Warehouse Refrigeration is having Manufacturing, Marketing and Maintenance tie-up with world leaders. Their world class manufacturing facility is located at Wada & Dadra, delivering equipment conforming to International standards and ISO 9001. They have several service points all over major cities in Kerala – Trivandrum, Kochi and Kozhikode.

Blue Star is India's leading air conditioning and commercial refrigeration company, with an annual revenue of over Rs. 4400 crores (over US\$ 681 million), a network of 35 offices, 5 modern manufacturing facilities, 2700 employees, 2200 dealers and 600 retailers. Blue Star's integrated business model of a manufacturer, contractor and after-sales service provider enables it to offer an end-to-end solution to its customers, which has proved to be a significant differentiator in the market place. In fact, every third commercial building in India has a Blue Star product installed.

Blue Star Engineering & Electronics Ltd (Blue Star E&E) is a wholly-owned subsidiary of Blue Star Limited a USD 566 million engineering conglomerate headquartered in India. Blue Star E&E has built up a strong reputation for providing advanced technology products as well as turnkey engineering solutions that cater to several industries across the country. It is the exclusive distributor in India for many globally renowned manufacturers of healthcare equipment, data security solutions, as well as industrial products and solutions.

The Company fulfils the cooling requirements of a large number of corporate, commercial as well as residential customers. Blue Star has also recently forayed into the residential water purifiers business with a stylish and differentiated range including India's first RO+UV Hot & Cold water purifier; as well as the air purifiers and air coolers businesses. The Company also offers expertise in allied contracting activities such as electrical, plumbing, fire-fighting and industrial projects, in order to offer turnkey solutions, apart from execution of specialised industrial projects. Blue Star's other businesses include marketing and maintenance of imported professional electronics and industrial products and systems, which is handled by a wholly owned subsidiary of the Company called Blue Star Engineering & Electronics Ltd.

The Company has manufacturing facilities at Dadra, Himachal, Wada and Ahmedabad, which use modern, state-of-the-art manufacturing equipment to ensure that the products have consistent quality and reliability. The Company has a manufacturing footprint of about 1 lakh sq. m, producing over 300 models across 25 product lines.

The Company's mainstay of product development and R&D has been energy efficiency, coupled with eco-friendly and sustainable products. Due to shifting consumer preferences toward adopting energy-efficient products and their increasing adoption in the residential and SME segments, split ACs held the largest share of the room air conditioner market in terms of revenue and volume share in 2021.

This business was earlier part of Blue Star's Professional Electronics & Industrial Systems Group and has been in existence for over six decades. Since April 2015, Blue Star E&E started functioning as an independent entity and a wholly-owned subsidiary of its parent company Blue Star Limited. Over the years, its business model has changed from being a distributor of leading global manufacturers to that of a system integrator and value-added reseller, thereby moving up the value chain.

The business has been successful in capturing the pulse of the market and has carved out profitable niches for itself in most of the specialized markets that it operates in.

The business operates in the following lines of business:

- ❖ Healthcare Systems
- ❖ Data Security Solutions
- ❖ Non-Destructive Testing
- ❖ Material Testing
- ❖ Industrial Automation
- ❖ Metrology Solutions
- ❖ Communication Systems

The value addition in each of these individual businesses lies in precise need identification, solution configuration, design & engineering, pre-installation support, installation and commissioning as well as reliable after-sales service. Blue Star Engineering & Electronics draws heavily from the strengths of its parent company such as the sound financial health of operations, nationwide network of offices, a solid value system, and cohesive organizational culture.

Social responsibility

Empowering people and communities is a way of life at Blue Star E&E. Air, water and food are three things that life depends on, and we use our expertise in cooling, purifying and preserving these precious resources. They make these products and services accessible across all sections of society. Our social responsibility efforts are also dedicated to supporting sustainable initiatives across education, skilling, children and women's health, and women's empowerment. They are especially dedicated to improving the quality of life of those in the communities around our manufacturing facilities.

Their flagship programme, the 'Diagnostic Support Programme' started in the year 2021, provides free diagnostic services through empanelled hospitals across the country. During the first year of the programme, Blue Star Engineering & Electronics supported 800 lives. We aim to support 4000 lives in 3 years and guide them towards better health and a better quality of life. Their CSR activities are strategically mapped, monitored, and evaluated by a dedicated CSR Committee and the Company's CSR team.

Vision

The vision of H&C Solutions to exceeds expectations in business through consistent enhancement in wellbeing and nature of the items made and send out

Mission

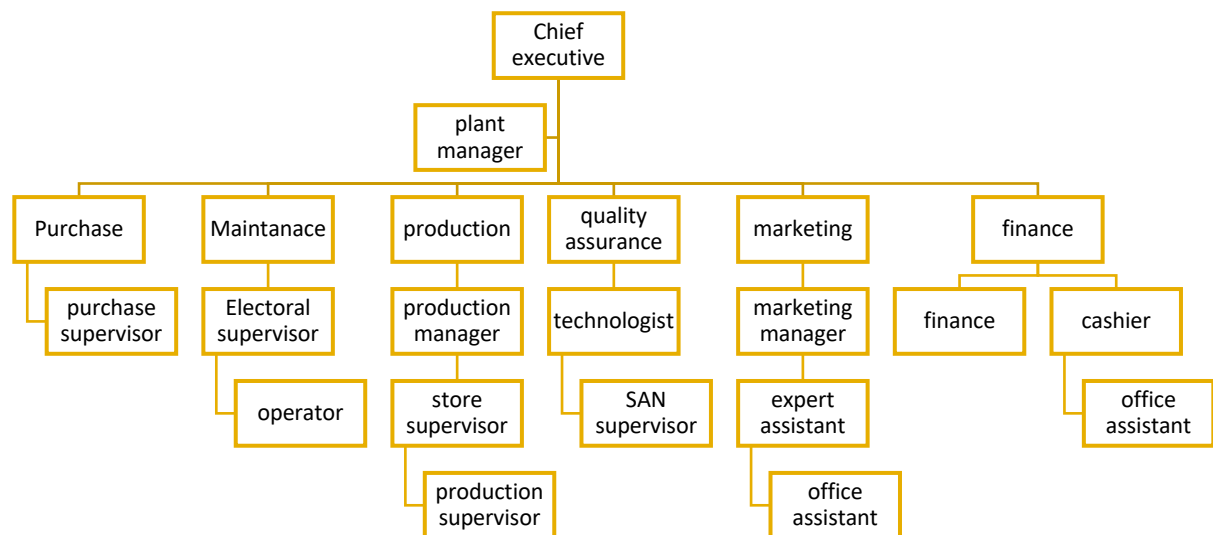
Mission is to create advertise and to guarantee proficient picture. Organization is creating in a reliable and dynamic way, with the enthusiasm of customers

Competitors

The competition for H&C Solutions includes

- Amber Enterprises India Ltd. AMBEEN
- Hitachi Air Conditioning India Ltd.,
- Johnson Controls- Hitachi Air Conditioning India Ltd. HITHOM.
- Leel Electricals Ltd. LLOELE
- Voltas Limited VOLTLT

Organizational chart of H&C Solutions



Sister Concern Company

Cameo Solutions

Cameo solutions, the channel partner of Blue Star Limited, the leaders in Industrial & Warehouse Refrigeration is having Manufacturing, Marketing and Maintenance tie-up with world leaders. Our world class manufacturing facility is located at Wada & Dadra, delivering equipment confirming to International standards and ISO 9001.

Company customized products are,

- Cold/Freezer Rooms
- Blast Chiller/Freezer
- Display Chiller/Freezer
- Cube Ice machines
- Flake Ice Machines
- Sandwich Puf Panels
- Insulated Roofing Panels
- Banana Ripening Chamber
- Reach-in Chiller/Freezers
- Bottle Coolers

PRODUCT PROFILE

1.Modular Cold Rooms

Modular Cold Rooms are standard preservation chambers built at site to desired dimensions and cooling specifications. Blue Star's Modular Cold Rooms use world-class PUF Insulated Panels manufactured by Blue Star at state-of-the-art facilities, and Refrigeration Units from Blue Star's facilities and from partners from across the globe, to offer you totally reliable cooling and preservation chambers specifically built for your needs.

Modular Cold Rooms are built best by experts who understand all aspects of preservation. And Blue Star's Cold Room experts possess both extensive and intensive domain

knowledge of your industry - knowledge that helps us design and deliver efficient, reliable and precise Cold Room solutions for your exact need.

Some of the industries they serve:

- Hospitality
- Dairy
- Horticulture
- Medicare
- Pharmaceutical industry
- Seafood
- Speciality applications

2. Refrigeration Systems Hermetic Series

Blue Star, India's leading refrigeration company, offers a complete range of evaporating and condensing units. These units are designed to deliver superior cooling for food preservation and are equipped to deliver temperatures for various applications.

The balanced selection of the evaporator and condensing units assures delivery of capacity. The matching controllers with refrigeration units support each installation and enable the controlling and monitoring of temperature. Each Blue Star installation comes with a weather-proof power panel that allows for easy, speedy, safe and long-lasting power connection. So when it comes to cold storage, trust in the experts for reliable, efficient and trouble-free refrigeration.

3. Refrigeration Systems Semi-Hermetic Series

Blue Star, India's leading refrigeration solutions provider, offers you a wide range of refrigeration units to suit different business needs.

Blue Star, India's leading refrigeration company, offers a complete range of evaporating and compressed food industry segments like poultry, marine and meat processing require heavy-duty operation, while the ice-cream industry is growing by leaps and bounds and needs significant storage facilities at production and distribution points. To tackle these

critical temperature requirements, Blue Star brings to you a fully-packaged semi-hermetic refrigeration system.

In all these applications, we understand what you need to succeed: reliability and the assurance of holding temperature maintained within critical limits. These are possible only through well-packaged, well-engineered refrigeration systems with reliable components.

Air Cooled Condensing Units

The new range of air cooled condensing units is robust in construction and uses world-class and highly reliable components. It is designed to enable quick and easy installation.

These units use semi-hermetic reciprocating compressors that offer significantly higher cooling capacity, reliability and flexibility than market standards. They also come with factory-fitted components and are extensively tested for reliability. So you are assured of qualitative system balancing under controlled conditions, which ensures delivery of committed capacities.

Salient Features

- Air Cooled Condenser

Tropicalised high ambient air cooled tube and fin condenser, with internally grooved copper tubes, results in increase of heat transfer surface area for better heat transfer, thus increasing efficiency of the refrigeration system.

- Condenser Fans

High quality and reliable axial fans ensure uniform airflow across the heat exchanger, increase COP of the compressor and reduce power consumption. The motor of the condenser fans is equipped with an HP switch to ensure optimum condensing pressure and temperature.

- Weather-proof Housing

The condensing unit is mounted on a sturdy base frame and provided with a powder-coated and corrosion-resistant casing.

Water Cooled Condensing Units

Blue Star's water cooled condensing units include a semi-hermetic compressor, water cooled condenser with safety valve connection, service valves, a base frame and vibration absorber installed on the discharge line, in some models. They are of high-efficiency design with spacious dimensions. At the same time, they are compact and generally consume less power. Their shell and tube sheet is made of carbon steel, and the tubes are of copper with integrally finned thick walls.

Water cooled units are generally preferred for cold rooms in hotels and the processed food segment, for reasons of availability of treated water. It is convenient to locate water cooled condensing units even in places without adequate ventilation for condensation

Water cooled units are capable of delivering consistent performance irrespective of variations in ambient conditions. Moreover, the water side connections allow supply of both mains water and cooling tower water.

Salient Features

- Shell and Tube Condenser

Water cooled condensers come with internally grooved and externally finned tubes which increase heat transfer area, which in turn needs less refrigerant charge. They are also compact and lightweight. What's more, as a result of the circular end covers, there is a higher flow rate of water and refrigerant inside the Shell and Tube condenser. This increases COP of the compressor and lowers power consumption.

- Base Frame

Sturdy and robust, the base frame is CNC punched, CNC bent and 4 mm thick with hexagon rivet nuts. This ensures no rusting and a longer product life.

Common Features

- Semi-hermetic Compressor

The semi-hermetic compressor is compact, economical, efficient and very easy to maintain. Its removable heads, stator cover, bottom plate and housing cover allow easy access for field repairs. What's more, the compressor is fitted with suction and discharge service valves and is also provided with a crank case heater.

- Diagnostic Black Box

This compressor also comes with a diagnostic black box which ensures constant monitoring and fast diagnosis. It can be connected to a computer, via USB, to identify the cause of malfunction.

- Oil Separator

The oil separator allows longer piping distances and enhances system reliability and uptime. It comes with GOMAX-make hose assembly (for the oil return line).

- Liquid Receiver

Good quality liquid receiver (with Rotalock valve) ensures constant flow of refrigerant to the thermostatic expansion valve and thus increases system reliability.

- GOMAX Flexible Tubes

These tubes eliminate any leakage of the refrigerant during operation and transportation. This improves the life of the product and enhances aesthetics.

- Vibration Eliminators in the Discharge Line

This is a highly beneficial feature, as it reduces vibration during operation, thereby reducing any chance of leakage of the refrigerant.

- Sturdy HP/LP Mounting Bracket

3 mm thick and galvanised, the robust bracket is ideal for mounting an HP/LP switch. This helps minimise variations of the pointer, ensuring accurate readings.

- Brazing

The use of 42% silver brazing rods ensures better protection of joints, pipes, components or controls and minimises refrigerant leakage.

- Refrigeration Controls

The condensing unit is fitted with HP/LP switches with GOMAX-make hose assembly Filter drier, Sight Glass and Liquid Line Solenoidal valve. Its components are from internationally reputed manufacturers.

Evaporating Units

Blue Star's evaporators are compact and sleek. They are housed within the cold storage and occupy minimum space. This allows you to utilize the maximum volume of the cold storage.

Salient Features

- Stainless steel body (SS304) for enhanced durability and strength
- Inner grooved copper tubes for superior heat transfer
- 6 FPI coil to enable air-defrosting
- Improved air throw for uniform air distribution
- External rotor driven fans for low noise levels and to conform to IP45 standards
- Removable side panels for easy service and minimum downtime

Blue Star compressor controller has separate set points and differentials for each compressor.

Salient Features Of Compressor Controller

- Specifically designed for refrigeration applications
- Controls compressor cut off and temperature
- HACCP provision (available in model 52H)
- BMS compatibility (available in model 52H)

4. Puf Insulation Panels

The efficiency, hygiene and life of a cold room depend on the panels and accessories that go into making up the structure. Blue Star's cold rooms are therefore constructed using pre-fabricated PUF panels designed specifically for such applications, and manufactured to international standards of quality and reliability at state-of-the-art facilities.

These panels are packed with advanced high-density foamed-in-place PUF insulation to ensure high-efficiency insulation, and metal-finished (a choice of aluminium, pre-painted steel, stainless steel, galvanized steel or Galvalume).

Modular in nature, these tongue-and-groove panels in a range of thicknesses and dimensions, are designed to interlock with ease at site to form cold rooms of any size and for any application. Each part of the cold room - walls, ceiling, floor, doors and even T-walls and corners - have special panels designed for the purpose to ensure perfect fit.

5. Medical Refrigeration Products

Reliable storage. Exceptional control. Blue Star, India's leading Air Conditioning and Refrigeration Company now brings you freezers and refrigerators in various series, with low and ultra-low temperature settings, for scientific and medical purposes.

Medical Refrigerators

Blue Star's range of medical refrigerators comes with international compressors and rust-free ABS plastic for enhanced hygiene. They are specialized refrigerating units for cold storage of pharmaceuticals as well as biological products. It is suitable for hospitals, drugstores, pharmaceutical factories, sanitation and anti-epidemic stations

Medical Freezers

The Blue Star range of ultra-low upright freezers comes with highly efficient compressors and eco-friendly refrigerants. These medical freezers offer a wide variety of research and storage applications such as low temperature scientific experiments, preservation of plasma, biomaterials, vaccines and biomedical properties of military products. It is suitable for research institutes, electronic industries, chemical engineering industries, hospitals, university laboratories, military industries, sanitation and anti-epidemic stations.

6. Banana Ripening Cold Rooms

Blue Star is India's leading air conditioning and refrigeration solutions company. With over 7 decades of experience in the field, Blue Star is the one expert you can trust when it comes to cooling solutions. This is especially true when it comes to cold-chain solutions including ripening chambers.

Blue Star is a leading provider of banana ripening solutions in India today. Thousands of banana traders and farmers are Blue Star customers and over 14,000 MT of bananas get

ripened in our Banana Ripening Cold Rooms every day. This domain knowledge in the field ensures that each Blue Star Ripening Cold Room is designed bottom up, to maintain the precise conditions required by each specific application. Factors such as humidity, temperature, ventilation and specific gas emission levels within each ripening chamber are tuned to optimum levels, in each chamber design, based on requirements at each facility. Blue Star ripening chambers are reliable, robust and built to last. They are also backed by proven service capability through a nationwide network, even in remote inaccessible areas.

Blue Star's banana ripening chambers allow you to:

- Design your installation to suit your capacity requirement
- Reduce wastage and increase profits
- Plan the timing of your produce output and avoid seasonal variations
- Ensure hygienic and food-grade handling of your produce
- Deliver uniform colour and taste due to controlled ripening
- Enjoy higher realisation on your produce
- Reduce operating cost and optimise initial investment

CUTTING-EDGE COMPONENTS

Blue Star's state-of-the-art banana ripening chambers use:

- Reliable, energy-efficient refrigeration units
- High-efficiency PUF insulated panels which are lead-proof
- Doors that keep outside atmosphere out and controlled conditions in
- Timer-based electrically operated ventilation systems and exhaust
- High CFM evaporators to ensure uniform airflow inside the chamber
- Gas-emission systems for flexible, large-scale ripening processes
- Ethylene generators for sequential ripening solutions
- Humidifiers to maintain high humidity throughout the ripening cycle
- CO₂ and ethylene analysers to monitor carbon dioxide levels*

GAS-EMISSION SYSTEMS

The gas-emission systems are designed to be safe, fast and precise in their ripening processes. Moreover, they come with features that make them the first choice for professional ripening facilities.

Salient Features

- Safe: 5% Ethylene-95% Nitrogen mix generated
- Flexible system: Single system can feed multiple ripening chambers
- Intelligent microprocessor controller: Ensures precise ethylene generation
- Independent settings: Allows ripening of different fruits at the same time in each chamber
- Intelligent control: Allows independent levels of generation in each chamber
- Programmable: Desired conditions programmable as pre-sets through touch screen
- Controller also programmable to generate ethylene at fixed intervals

ETHYLENE GENERATORS

The stand-alone ethylene generator is ideal for ripening situations where the process is sequential rather than simultaneous. They provide a constant and controlled supply of ethylene into the ripening chamber, by converting a specially formulated ripening concentrate into ethylene.

Salient Features

- Portable: Can be easily shifted from one chamber to another.
- Simple and fast: Just pour in Ethanol II and ethylene is produced.
- Safe: No danger of explosion, as long as instructions given are followed

MULTI-COMPRESSOR CONTROL

Multi-compressor systems can be handled by the same controller, with the ability to set individual parameter controls like temperature, pressure, etc.

EFFICIENT OPERATION

Blue Star's highly efficient banana ripening chambers provide prompt notification for any operational issues including equipment failures or set point changes.

RECENT PROJECTS

- TAMARA GROUP OF HOTELS (TVM & KODAEKKANAL)
- MALANAD DEVELOPMENT SOCIETY, TVM

COMPANY SERVICES

they Undertake Turnkey Projects for all commercial Segments. And have several service points all over major cities in Kerala – Trivandrum, Kochi and Kozhikode.

All air conditioning and refrigeration systems, like any other machine, depreciate with time. And if not properly maintained, they progressively lose efficiency, consume more power, and drain your profits. Without regular maintenance an air conditioner loses its original efficiency steadily every passing year. It is common knowledge that these inefficiencies accelerate in the absence of adequate monitoring and maintenance, thereby causing a lot of inconvenience. The good news however, is that you can recover most of that lost efficiency through regular maintenance. Studies show that with regular tune-ups a unit will maintain up to 95% of its original efficiency.

This means that the cost of a periodic tune-up is recovered very quickly in savings on your monthly power bill and reduced running and repair costs. On opting for a Service Solution from H&C Solutions, you avail of the following unbeatable advantages:

TRAINED PERSONNEL

Our engineers and technicians are intensively trained to handle the costly, sophisticated air conditioning equipment.

PRIORITY SERVICE

All customers who opt for our annual service solutions are offered priority service, so that your calls get attended quicker and the system is up faster.

PREVENTIVE CHECKS

Under all our service solutions, we offer preventive maintenance checks which help in identifying problems early, preventing costly downtime.

GENUINE SPARES

By opting for our service solution, you are assured of genuine spares that will go a long way in ensuring high uptime for your system.

EXTENDED LIFE

Genuine spares and regular maintenance help in extending the life of your system.

SEASONAL SETTINGS

In summer, you would prefer lower temperatures and when the climate is cold you often feel the need to change your settings to higher temperatures. Before the season changes, our engineers calibrate the air conditioning system to suit typical requirements.

SPARES AVAILABILITY

The presence of regional parts centers in various cities ensures faster availability of service parts.

SERVICE CREW VAN

The van assists in delivering spares and service crew at your door step, in case of emergency.

SSG

Service Specialists Group handles complex technical problems in the field through remote supervision or direct supervision from all cities. The team is well equipped with various advanced measuring, data logging and diagnostic tools.

INNOVATIVE ENGINEERING

They are committed to deliver the right product with latest technologies which bring them to the international standard.

BEST CUSTOMER SUPPORT

By modernization and by introduction of new products we keep our pace to cater the requirements of their customers.

TEAM

They have energetic and technically trained team to service the clients under any circumstances. Our team completely satisfies client queries

HONEST & DEPENDABLE

Our business is based on honesty, integrity and fair dealing. By comprehensive understanding of our customer's needs with the demands.

Clients

- Eastern company
- The choice group
- Wonderla
- Malanadu
- The fog Munnar
- Trinity Enterprises

- Kfc
- Mc Donald's
- TAJ Hotels Resorts and places
- Big basket
- Marriott Hotels resorts suites

CHAPTER 2

REVIEW OF LITERATURE AND THEORETICAL PROFILE

2.1 STUDY ON FINANCIAL STATEMENT ANALYSIS IN INDIA

Financial Statement Analysis plays an important role in financial management of the industry. Numbers of researcher has been done the research on different components of financial Statement Analysis and subjects on.

Here, I have included the relevant articles as well research work on the same topic and subject. And this is a part of my research work on the same title the financial Statement Analysis of selected textile companies of India. The main aim of this paper is to identify the gaps in current body of my research work which gives the direction towards forward attention to be given.

LITERATURE REVIEW

G.S Reddy.(1996)_States financial management involves managerial activities concerned with procurement and utilization of funds for business purpose. The finance manager deals with planning, organizing, directing and controlling financial activities of the enterprises. Financial management has very wide scope.

M.Y. Khan,(2007)Analysis of financial statements is the method of determining the relationship between component parts of financial statements to gain a clear understanding of the firm's position and performance. The focus of financial analysis is on key figures in the financial statements and the essential relationship that exists between them. The first task of the financial analysis is to pick the information related to the decision under consideration from the total information contained in the financial statements. The second step is to organize the information in a way to illustrate important relationships. The final step is interpretation and drawing of inferences and conclusions. In brief, financial analysis is the process of selection, relation and evaluation.

Kenneth. A. Bollen,(1979).This article addresses three different three different uses of ratio variables in aggregate data analysis

1. As measures of theoretical concepts
2. As a way to control an extraneous factor
3. As a heteroscedastic correction.

It describes the ratio as indices of concepts a problem can arise if it is regressed to other indices or variables containing a common factor.

P.K Rao,(1993). In this study the author wished to analysis important factors of tea industry and forecasted the future trends relating to sales and profit for the next 10 years with the view to help the policy makers in taking effective measures in decision making. He also disclosed that the recent changes in Indian economic policies could boost up the foreign exchanges earnings, which in turn may help those companies that are exporting to regions with hard currency.

Patra,(2005). He has studied about the impact of liquidity on profitability by using seven liquidity ratio i.e., current ratio, acid test ratio, current assets to total assets ratio, inventory turnover ratio, working capital ratio, receivable turnover ratio, cash turnover ratio of selected two companies chosen, namely Tata Iron & steel company limited for the period 1999 to 2005. Using mean, standard deviation, co efficient variation, correlation and co-efficient of relation. He has concluded that four of the seven liquidity ratios chosen for this analysis showed a negative correlation with profitability ratio, namely current ratio, acid test ratio, current asset to total assets ratio and inventory turnover ratio showed negative correlation with profitability ratio. He mentioned that growing of profitability which was depends upon many factors and liquidity is one of the factors.

Pudi,(2018). The financial performance of HPCL have been developing these days has been developing an important causes to review its financial results and compare them with the firms in the same sector to understand the reason for financial developments in HPCL with respect to other firms performance in the oil and gas industry, India. This study has been conducted by comparing its financial statement with that of its previous years from the year 2012 to 2017. The study proved that HPCL is maintaining a good solvency, liquidity and profitability position.

Periyasami,(2018).This study of comparative statement was concerned with the companies like Asian paint and Nerolac paint. The main objective was to ascertain the financial performance with the exiting data in terms of fixed assets, long term loans, current asset and current liabilities by analyzing the financial statements with the help of comparative statement analysis. This study states that India's largest and Asia's third largest pain company has the highest growth rate compared to the other company. The main aim was to find the financial soundness of the companies.

Bhayani,(2003). In this book, he has covered 16 public limited cement companies in private sector. The book contains detailed information about analysis of profitability, working capital, capital structure and activity of Indian cement industry. It also states the various problems related to cement industries. On the basis of analysis, and problems, he has

suggested some points for the improving in the profitability, well management for working capital, techniques for the cost control strategy regarding activity, and assets- liabilities management.

Bhalla, (1997). It states that financial management is a goal oriented activity. It has been defined as the combination of the art and science through which the important decisions are made on what to invest in, how to finance it, and how to combine the two in order to optimize those suitable goals. The vast and diverse area of finance has virtual impact on the financial lives of business- financial and nonfinancial private and public, large and small, profit-seeking and non- profit. Financial managers need to know how to make effective decisions and avoid ineffective decisions.

Chabra,(1988). States financial management involves managerial activities concerned with procurement and utilization of funds for business purpose. The finance manager deals with planning, organizing, directing and controlling financial activities of the enterprises. The scope of the financial management is very wide. It should not be considered to be merely restricted to raising of capital as it also covers other aspects of financing budgeting, maintaining liquidity, lending and borrowings policies, dividend policy etc.

Hitchings (1999). This study describes that ratio examination is a complex and valued tool is assessing credit which is to estimation the capability of the borrower to meet its debt obligation.

Aswath Damodaran,(2000). Says in financial management we measure the return on a proposed investment decision and compare it to a minimum acceptable hurdle rate in order to decide whether the project is acceptable. It not only helps firms decide whether to borrow money in the first place, but it also provides insight into what type of financing a company should use.

Narayana, (1999). Says financial management is closely related to various working management fields. Since financial management is involved in overall planning and control of entire firm's fund, it is connected to each segment of firm's operation. The target of the firm should be explicitly met through the contribution of the entire department.

Banerjee, (1997). Says financial management is primarily concerned with the most economic and prudent manner in the acquisition of funds, using these fund in most efficient and profitable way in a given risk situation, planning future operation and controlling current and future performance and development through various tools. It is an approach by which depending on importance, resources can be allocated of various projects. And there is need to acquire and use funds for efficient operation efficiently of a business.

Shewan,(1998). Says, financial management is that specialized function of general management, which is concerned, with the timely procurement of adequate funds and their affection utilization for the efficient functioning of the business enterprise. Financial management therefor includes financial planning, procurement of finance, investment of funds and financial control. The study of financial management of corporation includes all financial aspects like issues of shares and debentures, internal financial control, procurement of additional capital , elimination of financial crises, determination of policies relating to reverse, surplus, dividend, depreciation, investment etc.

Inamdar,(1990). States that financial management is a business activity that is carried out with the intention of profit. If a business of a manufacturing type of activity is considered it involves basically the purchasing the raw materials, processing it by the use of lab our and other services converting the raw materials into finished goods in order to generate the profit. Thus, production, marketing and finance are the key operational areas in case of any manufacturing activity out of which the finance may be the most crucial area.

Maheshwari,(1999).States financial management is concerned with proper utilization of an important economic resources namely capital fund. As such, it dals with the situation that involves choosing of certain specific assets, the choosing of specific liability as well as the problem of size and growth of an enterprise. The analysis of this decision is based on the expected inflow and outflow of funds and their impact on managerial objectives.

Raman,(1997). Says financial management is concerned with management of finance or finance functions. Financial management refers to those activities of management or efforts devoted to the proper management of finance. It includes financial planning, financial administration and financial control. Financial management is the operational activity of a business that is responsible for obtaining and effectively utilizing the funds necessary for efficient operation.

M Y Khan, P K Jain(1997).“Financial management” watches focal point of budgetary examination is on ley figures in the fiscal report and the critical relationship that exits between them. The examination of fiscal summary is a procedure of assessing the relationship between component parts of financial articulations to acquire a superior understanding of the firms proportion examination is utilized to compare the hazard and return relationship of firms of various sizes. That the qualities and weakness of a firm just as its recorded execution are assessed uncompromising stance’s and execution It is characterized as the orderly utilization of proportion to translate the budget summary so.

2.2 THEORETICAL FRAMEWORKS

Meaning And Definition

A financial statement is the collection of facts and figures organized according to logical consistent accounting procedure. Final accounts are the summaries of ledger account organized in a such manner as to show the profit and loss of the business, for the accounting year and the financial position of the business at the end of the accounting year.

According to **John .N. Myer** "financial statements provide a summary of the accounting of a business enterprise, the balance- sheet reflecting the assets, liabilities and capital as on a certain date and the income statement showing the results of operations during a certain period"

According to **John Hampton** "A financial statement is an organized collection of data according to logical and consistent accounting procedure"

Financial statements generally consist of two important statements;

- (i) Income statement of profit and loss account
- (ii) Balance sheet

Income Statement

Income statement often referred as profit and loss account, reflecting the operational position of the firm over a specific period of time. Normally it consists of one accounting year. In simple words it is a summary of revenues and expenses of business over a period of time, usually a month, three months or one year.

It describes the company's entire operating output as the total revenue generated and costs incurred for the revenue to be received. Income statements help to ascertain the gross profit and net profit of the concern. The difference between sales and costs of goods sold is gross profit. Gross profit is determined by preparation of trading or manufacturing account and net profit is determined by preparation of profit and loss account.

Balance Sheet

Balance sheet also known as position statement, which represent the financial position of the firm. It is prepared at the end of the financial year. Balance sheet helps to ascertain and comprehend the total assets, liabilities and capital of the firm. One can understand the strength and weakness of the concern with the help of the position statement.

Financial Analysis

In order to determine its profitability, sustainability, and strength of earning capacity, financial analysis is used to define financial stability, evaluate economic trends, long-term financial policymaking, evaluation of businesses, and market assessment. As the analysis of financial reports also implies an understanding of the functioning of business decision making, which involves all the processes that have taken place in every company, outlined the financial statements, observation, evaluation and forecasting & diagnosis formulation. The process of critical evaluation of the financial information contained in the financial statements in order to understand and make decisions regarding the operations of the firm is called 'financial statement analysis'. It is basically a study of relationship among various financial facts and figures as given in a set of financial statements, and the interpretation thereof to gain as insight into the profitability and operational efficiency of the firm to assess its financial health and future prospects.

The term financial analysis includes both analysis and interpretation. The term analysis means simplification methodical classification given in the financial statements. Interpretation means explaining the meaning and significance of the data. These two are complimentary to each other. Analysis is useless without interpretation, and interpretation without analysis is difficult or even impossible.

Financial statement analysis is a judgmental process which aims to estimate current and past financial positions and the results of the operation of an enterprise, which primary objective of determining the best possible estimates and predictions about the future conditions. It essentially involves regrouping and analysis of information provided by financial statements to establish relationships and throw light on the points of strength and weaknesses of a business enterprise, which can be useful in decision- making involving comparison with other firms and with firm's own performance, over a time period.

Types Of Analysis

On The Basis Of Methods Of Operations

Common Size Analysis / Vertical Analysis

Components of financial statement are stated in absolute figure. How much money has been spent on various heads, fixed and current assets of how much value are under firm's ownership, how much liability a firm owes, etc. can be known from these statements. But I cannot be inferred whether holding of such volume of assets and liabilities is justified. For that purpose, the relation between these individual items with their aggregate whole is to be examined. In other words, what proportion of the whole is covered by the element in questions is to be known. By means of these analysis, we will study about the relative position of an item. The relative proportion of the element in question, rather than the absolute figures, can speak better about the soundness of the state of affairs.

Common size analysis is also called as vertical analysis because these statements are prepared in up and down from, and when one observe the statements, his observation moves from upwards to downwards. That apart, at the time of presenting the components as percentage of total, they are shown on up and down from and the total is shown either at the top or at the bottom of the statements. Thus, it appears that each item is shown as a part of the total presented in the statements.

Trend Analysis/ Horizontal Analysis

Corporate financial statement can provide a picture on interrelation among various components of income statements and Balance sheets, but can neither provide information about the overall trend of the business nor indicate the trend of the individual or group of components of the statements. For this purpose statements over a number of years are to be compared.

For trend analysis, data on comparable items on successive years are to be placed side by side. This is why such analysis is called trend analysis, or year-to-year analysis. This analysis is also called horizontal analysis as these data over the years are arranged on horizontal lines.

Usually absolute data of each year are converted first into percentage terms. Thus, all of these data are converted into percentage term of revenues, total assets or total of liabilities

and owned capital. The items lose their absolute form to take a common size in terms of percentages. These data over the year in percentage form are tabulated in horizontal line. This is why trend analysis based on such data is called common size horizontal analysis.

On The Basis Of Materials Used

Internal Analysis

When the analysis is done by a person who has access to the books of the accounts and other related information of the firm, it is called internal analysis of financial statements. It is undertaken by either the employee of the same firm or the responsibility may be given to an outside agency. This type of analysis is conducted for measuring the operational and managerial efficiency at different hierarchy levels of the firm.

External Analysis

These analysis which is conducted by an outsider without having any access to the basic accounting record of the firm, it is called external analysis of financial statements, these outsiders may be creditors, shareholders, investors or the credit agencies. This analysis serves only limited purpose it is dependent on the published financial data of the firm.

Techniques Of Financial Statement Analysis

Financial statement analysis is interpreted mainly to determine the financial and operational performance of the business concern. A number of techniques or tools are used to analyze the financial statement of the business concern. The following are the common methods or techniques, which are widely used by the business concern:

1. Comparative statement analysis
2. Trend analysis
3. Common size analysis
4. Fund flow statement
5. Cash flow statement
6. Ratio analysis

(1) Comparative statement analysis

Comparative financial statement analysis are prepared to provide time perspective to the consideration of different elements of financial position, income position or both. This is

done to make the financial data more meaningful. These are prepared to show absolute data two or more years. Increase or decrease in absolute data in value and in terms of percentages is determined. Comparative statement can be prepared for the both income statement and position statement.

- Comparative position statement analysis
- Comparative income statement analysis

Comparative position statement analysis: This is prepared to know the financial results and changes that have taken place.

Comparative income statement: This is prepared to understand the operating results and the changes that have taken place.

The comparative statements shows:

- Absolute figures, say in rupees
- Increase or decrease in rupee amount
- Percentage in absolute figures
- Percentage of increase or decrease in absolute figures

Comparative financial statement analysis again classified into two major parts such as comparative balance sheet analysis and comparative profit and loss account analysis.

- **Comparative balance sheet analysis**

Comparative balance sheet analysis concentrates only the balance sheet of the concern at different period of time. Under this analysis the balance sheet are compared with previous year's figures or one-year balance sheet figures are compared with other years. Comparative balance sheet analysis may be horizontal or vertical basis. This type of analysis helps to understand the real financial position of the concern as well as how the assets, liabilities and capitals are placed during a particular period.

- **Comparative profit and loss account analysis**

Another comparative financial statement analysis is comparative profit and loss account analysis. Under this analysis, only profit and loss account is taken to compare with previous year's figure or compare within the statement. This analysis helps to understand the operational performance of the business concern in a given period. It gives an idea about

the progress of the firm over a period of time. It may be analyzed on horizontal basis or vertical basis.

(2) Trend analysis

Trend analysis is an important tool of horizontal analysis which is popularly helpful in making a comparative study of financial statements of several years or periods. Trend percentages are computed for each component of the financial statements taking the figure of base year as 100. Generally, the starting year or period is taken as the base. Trend percentages show the relationship of each component with its preceding periods percentage. The percentage can also be presented in the form of index numbers showing relative change in the financial data of a certain period. This will show the direction, I.e. upward or downward trend, to which the firm is proceedings.

(3) Common size analysis

Common size analysis is also known as common measurement statement or common measurement analysis. This statement indicates the relationship of various items with some common items. It is generally expressed as percentage of the common item. This statement can be prepared for both income statement and balance sheet in general. Of course, the technique can be used in other derivative statements too, such as finds flow statement, cash flow statement and so forth.

The percentage are calculated in case of all items of income statement as well as balance sheet. Such percentage are easily compared with the corresponding percentages in other periods and meaningful comparison can be arrived at.

(4) Fund flow statement

Funds flow statement is one of the important tools, which is used in many ways. It helps to understand the changes in the financial position of a business enterprise between the beginning and ending financial statement dates. It is also called as statement of sources and uses of funds. According to institute of cost and works accounts of India, funds flow statements is defined as “a statement prospective or retrospective, setting out the source and application of the funds of an enterprise. The purpose of the statement is to indicate clearly the requirement of funds and how they are proposed to be raised and the efficient utilization and application of the same”.

(5) Cash flow statement

Cash flow statement is a statement which shows the sources of cash inflow and uses of cash out-flow of the business concern during a particular period of time. It is the statement, which involves only short-term financial position of the business concern. Cash flow statement provides a summary of operating, investment and financing cash flows and reconciles them with changes in its cash and cash equivalents such as marketable securities. Institute of Chartered Accountants of India issued the Accounting Standard (AS-3) related to the preparation of cash flow statement in 1998.

(6) Ratio analysis

Analysis of financial statements through ratios help the readers to understand financial strengths and weaknesses of the enterprises. The ratios give two ways of making meaningful comparisons of enterprises financial data

- (a) We can examine the ratios across time, say, for last 10 years, to identify trends

- (b) We can compare the firm's ratio with those of other firms. Mathematically, ratio is nothing more than a ratio of whose numerator and denominator comprises financial data.

ratio analysis is a powerful tool of financial analysis used by financial analyst. It is the process of establishing and interpreting different ratios showing quantitative relationships between figures and groups of figures. Ratio analysis is useful for assessment of business performance, evaluation of financial condition of an enterprise and making decision in the business.

Ratios can be classified into various types:

- (1) Liquidity ratio
- (2) Profitability ratio
- (3) Activity ratio
- (4) Solvency ratio

LIQUIDITY RATIOS

The expression liquidity means the capacity of quick convertibility of assets into money. Liquidity is significant in an enterprise to meet the current dues as and when they become due for payment. The resources are to be too close to money so that they can be conveniently converted into money to pay off the current obligations. Current dues and liabilities must be met promptly to avoid technical insolvency. Technical insolvency takes place only when the firm is unable to pay short-term liabilities to parties on their due date. The liquidity position of an enterprise is a pre-condition for its continuity. The parties interested in the short-term solvency are creditors, suppliers of goods and services, banks, etc. liquidity ratios will reflect the firm's ability to satisfy the short-term dues. Liquidity leads to short-term solvency of an enterprise. The liquidity can be measured with the following ratios

I . Liquidity Ratio

1) Current Ratio

It is a relationship between current assets and current liabilities. It determines the short term solvency of the enterprise

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

$$\text{Current ratio} = \text{current asset} : \text{current liabilities}$$

2) Quick Ratio/ Acid-Test Ratio/ Liquid Ratio

It is used to measure the firm's ability to meet its current liabilities

$$\text{Quick Ratio} = \frac{\text{quick asset or liquid asset}}{\text{current assets} - \text{bank overdraft or quick liabilities}}$$

$$\text{Quick Assets} = \text{current assets} - \text{inventories}$$

$$\therefore \text{Quick assets} = \frac{\text{current assets} - \text{inventories}}{\text{current liabilities} - \text{bank overdraft}}$$

Bank overdraft is eliminated from current liabilities because it is secured by the inventories.

II . Profitability Ratios

Profitability ratios are a class of financial metrics that are used to assess a business ability to generate earnings relative to its revenue, operating costs, balance sheet assets or shareholders equity over time, using data from a specific point in time.

1) Gross profit ratio

$$\begin{aligned}\text{Gross profit ratio} &= \frac{\text{gross profit}}{\text{net sales}} * 100 \\ &= \frac{\text{sales} - \text{cost of goods sold}}{\text{sales}} * 100\end{aligned}$$

Higher the gross profit ratio, better is the result of the enterprise

2) Return on investment (ROI)

It is also called as return on net worth, Return on shareholders investments or return on proprietors fund.

$$\text{ROI} = \frac{\text{net profit after interest and tax}}{\text{shareholders funds}} * 100$$

3) Return on equity (ROE)

It is the relationship between profits of the company and its equity share capital

$$\text{Return on equity capital} = \frac{\text{net profit after tax} - \text{preference dividend}}{\text{paid up equity share capital}}$$

Return on equity shareholders total equity =

$$= \frac{\text{net profit after tax} - \text{preference dividend}}{\text{paid up equity} + \text{reserves \& surplus} + \text{share premium} - \text{accumulated losses}}$$

4) Return on asset (ROA)

$$\text{ROA} = \frac{\text{net profit after interest \& tax}}{\text{total asset}}$$

Or

$$\text{ROA} = \frac{\text{EBIT} (1 - \text{Tax})}{\text{total asset}} * 100$$

III. Activity Ratio

It indicates the use of assets to generate sales, effective utilization of assets depends on different managerial decisions regarding current assets and fixed assets. Decision relating to current assets is short term activity ratios and for fixed assets it is long term activity ratios

Short term activity ratios to measure liquidity are;

- 1) Inventory turnover ratio
- 2) Debtors turnover ratio
- 3) Creditors turnover ratio
- 4) Working capital turnover ratio

Inventory turnover ratio

$$\text{Inventory turnover ratio} = \frac{\text{cost of goods sold}}{\text{average inventory}}$$

Debtors turnover ratio

It is receivables turnover ratio or debtors velocity which highlights the number of times debtors are turned over during a year.

$$\text{Debtors turnover ratio} = \frac{\text{net annual credit sales}}{\text{average trade debtors}}$$

Or

$$= \frac{\text{total sales}}{\text{closing debtors}}$$

Working capital turnover ratio

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

Or

$$= \frac{\text{cost of sales}}{\text{avrg working capital}}$$

Working capital = current asset – current liabilities

High working capital ratio tells the efficient use of working capital

Asset turnover ratio

It indicates the efficiency with which firm uses all its asset to generate sales, the ratio is also known as the investment turnover ratio. It is based on the relationship between the COGS, assets and investments of a firm.

$$\text{Fixed asset turnover} = \frac{\text{COGS}}{\text{avg fixed assets}} \text{ or } \frac{\text{sales}}{\text{fixed assets}}$$

IV. Solvency Ratio

Test of solvency indicates a firm's ability to meet the fixed interest, costs and repayment schedules in connection with its long-term liabilities

Debt equity ratio

It is termed as the external-internal equity ratio which measures the relative claims of outsiders and owners against the assets of the enterprise, this ratio displays the relationship between the external equities (outsiders funds) and the internal equities (shareholders' funds)

$$\text{Debt equity ratio} = \frac{\text{long term debt}}{\text{shareholders funds (debt+equity)}}$$

Proprietary ratio

It is also known as equity ratio, shareholders to total equities ratio or net worth to total asset ratio. It is determined to indicate long-run solvency of the enterprise.

$$\text{Proprietary ratio} = \frac{\text{shareholders funds}}{\text{total assets}}$$

Or

$$= \frac{\text{net worth}}{\text{total assets}}$$

Higher the ratio, better is the long- term solvency position of an enterprise.

Debt to total capital ratio

$$\text{Debt to total capital ratio} = \frac{\text{total asset}}{\text{total capital (debt+equity)}}$$

2.3 Objectives Of Financial Statement Analysis

The main goal of any company's financial statement analysis is to give the users of the financial statements the information they need to make informed decisions, evaluate the company's current and past performance, and forecast the success or failure of the business, among other things.

To understand the present position

Promoters and owners want to know if the business is on the right track or falling short of the goals they have set in the past. They are better able to understand their financial situation and analyse opportunities when financial transactions are regularly recorded.

Removing any discrepancies

Recording daily transactions, such as sales and purchases, expenses, income, and other statements, enables them to identify areas for improvement and to act quickly in the event of any discrepancies.

Making Future Decisions

They can better carry out their plans with the help of quarterly statements like sales book, purchase, trading account, or manufacturing account. They now have the chance to decide on the future with solid information. Even small businesses now routinely prepare provisional final accounts. Making effective decisions for the organization is aided by short-term financial statement analysis.

Reduce the chances of fraud

Although it is not the primary goal of transaction analysis, this goal cannot be overlooked. It frequently appears in the news that an employee defrauded his superior, causing the business to suffer severe losses. The employee will know that the management is aware of everything taking place in the company if the statements are carefully examined. Additionally, management can investigate any suspicious financial entries and find a solution without suffering further losses.

2.4 Significance Of Financial Statement Analysis

Financial statement analysis are the outcome of accounting work completed during the accounting period. Trading, a profit and loss account, and a balance sheet are typically included in financial statements. It is significant because it helps shareholders make informed decisions by giving them relevant information. They are crucial to a company's managers as well because by disclosing financial information, management can inform interested parties about its management of the company.

CHAPTER 3
RESEARCH METHODOLOGY

3.1. INTRODUCTION

The research problem can be approached methodically using research methodology. It can be viewed as a science that studies how scientific research is conducted. In it, we examine the various approaches typically used by a researcher to analyse his research problem, as well as the reasoning behind them. The specific steps or methods used to locate, pick, process, and analyse data pertaining to a topic are known as research methodology. The methodology section of a research paper gives the reader the chance to assess the general validity and dependability of a study.

A scientific approach to solving research problems is through research methodology. It also addresses the goals of the research project. The tools and research design will be determined by the research methodology. It explains what research is, how to do it, how to track your progress, etc. Research is the organised, methodical study of materials and sources with the goal of learning new things, establishing facts, and drawing new conclusions. The proper information can be found through research, which aids in successfully resolving issues.

Research can help the mind become more open to new or different perspectives. Such an orientation would lead to fresh and original observations about commonplace occurrences. Research is a method of applying the fundamentals of technology logically and methodically to an observed and clinical question. It provides tools, specific processes, and technical methods rather than philosophical ones for purchasing and ordering information prior to their logical evaluation and manipulation.

According to Kothari (2004), the core of any study is its design, which includes a strategy, a road map, and a blueprint for how to conduct research and find answers to specific questions. Research methodology is a methodical, theoretical assessment of the strategies used to study a topic. Statics of describing, explaining, and predicting phenomena that will solve a problem are included in methodology. The term "research methodology" encompasses ideas such as study designs, target populations, pattern length and sampling strategies, statistical series devices, and statistical evaluation procedures. An educational interest is conducting research in a technical field. Studies, according to Clifford Woody (Kothari 1988), are "an interest that defines and redefines problems, formulates a hypothesis; gathers and compares data; makes deductions and inferences, and reaching

conclusions; and carefully examining the conclusions to determine whether they support the developed hypothesis.

3.2 Research Design

The study is conducted using descriptive research methodology as the focus of the study is To conduct Financial Analysis of H&C Solutions, Muvattupuzha. The research design serves as a roadmap for achieving objectives and providing answers to questions. It is a master plan that outlines the method and procedures for gathering and analysing the desired information. A fact-finding investigation with appropriate interpretation is descriptive research. It usually has to do with figuring out how frequently something happens or how two variables interact.

In order to make precise predictions and ascertain the relationship between the variables, it is used to describe the traits of particular groups. The validity and reliability of a study are directly related to the methodology that was employed. As a result, the focus of this section is on the research methodology chosen and applied for this study in order to fulfil the research objectives. The instruments that were used to measure the various constructs relevant to this study are also described in this section of the document. The current study's chosen research design is analytical research. Utilizing already existing data or facts, analytical research analyses it to provide a critical assessment of the issue.

3.3 Data Collection

The collection of data for the study is collected through secondary data. The main source of data for this study is through secondary data .

The secondary data Is collected through company annual report, company manuals and other relevant documents. The data is also procured various books, magazines, journals, and websites.

3.4 Data Analysis Tools

The relationship between various items in the financial statements established through ratio analysis is used to analyse and interpret the collected data. Ratio analysis are compared with the observations collected from the firm and also trend analysis. The collection of data for the study is collected through the company annual reports and other relevant documents,

- Comparative balance sheet and profit and loss account
- Common size balance sheet
- Ratio analysis

3.5 Statistical Tools & Techniques Used For Analysis

Statistical tool means the tool or technique that is used for entering data and analysing that data. Here statistical tool- MS excel is used for entering data and percentage analysis is used for analysing data. Through this tool researchers can easily study on data collected by him and make the interpretation.

CHAPTER 4
DATA ANALYSIS AND INTERPRETATION

4.1 Comparative Balance Sheet

4.1.1 Comparative balance sheet for the year 2015-16 & 2016-2017

PARTICULARS	2015-16	2016-17	Absolute Change	Percentage Change
LIABILITIES				
Partners' capital account	35031049.61	32344582.35	-2686467.26	-8%
reserves and surplus	59364671.89	59364671.89		
loans	180037618	210415456	30377838	17%
provisions	1465776	1695420	229644	16%
sundry creditors	60909044	159382101.7	98473057.69	162%
other liabilities				
TOTAL	336808160.4	463202231.9	126394071.5	38%
ASSETS				
fixed assets	32147396.94	57704493.94	25557097	79%
capital work in progress	1912029		-1912029	-100%
deposits investments advances	20416044.63	20896744.63	480700	2%
sundry debtors	147756794.1	161696905.5	13940111.4	9%
other current assets	1092281	1461633	369352	34%
inventories	129839301	217885476	88046175	68%
cash and cash balance	3643413.78	3556978.89	-86434.89	-2%
TOTAL ASSETS	336808160.4	463202231.9	126394071.5	38%

Interpretation: it is observed that from the above table that the share capital of the company during the year 2016-17 has been decreased -8%. The fixed cost has been increased by 79%. During the year inventories have been increased by 68% whereas the cash have been decreased by -2%.

4.1.2 Comparative balance sheet for the year 2016-17 & 2017-18

PARTICULARS	2016-17	2017-18	Absolute Change	Percentage Change
LIABILITIES				
partners' capital account	3,23,44,582	2,08,20,070	-1,15,24,513	-36%
reserves and surplus	5,93,64,672	5,93,64,672	-	0%
loans	21,04,15,456	19,67,22,309	-1,36,93,147	-7%
provisions	16,95,420	15,37,776	-1,57,644	-9%
sundry creditors	15,93,82,102	8,64,32,719	-7,29,49,383	-46%
other liabilities		43,59,775	43,59,775	0%
TOTAL	46,32,02,232	36,92,37,320	-9,39,64,912	-20%
ASSETS				
fixed assets	5,77,04,494	6,43,65,386	66,60,892	12%
deposits investments advances	2,08,96,745	2,08,96,745	-	0%
sundry debtors	16,16,96,905	14,25,06,695	-1,91,90,210	-12%
other current assets	14,61,633.00	64,67,017	50,05,384	342%
inventories	21,78,85,476	12,78,13,200	-9,00,72,276	-41%
cash and cash balance	35,56,979	71,88,277	36,31,298	102%
TOTAL	46,32,02,232	36,92,37,320	-9,39,64,912	-20%

Interpretation: from the above table it has been observed that the share capital of the firm during the year has been decreased by -36%. The fixed asset during the year 2017-18 has been increased by 12%. It has also been observed that the inventories have been decreased by -41%. Whereas the cash have been increased by 102%.

4.1.3 Comparative balance sheet for the year 2017-18 & 2018-19

PARTICULARS	2017-18	2018-19	Absolute Change	Percentage Change
LIABILITIES				
partners' capital account	2,08,20,070	2,77,09,085	68,89,015	33%
reserves and surplus	5,93,64,672	5,92,52,057	-1,12,615	-0.19%
loans	19,67,22,309	15,80,28,488	-3,86,93,821	-20%
provisions	15,37,776	5,77,075	-9,60,701	-62%
sundry creditors	8,64,32,719	7,27,12,193	-1,37,20,526	-16%
other liabilities	43,59,775	44,23,579	63,804	1%
TOTAL	36,92,37,320	32,27,02,476	-4,65,34,844	-13%
ASSETS				
fixed assets	6,43,65,386	6,37,36,394	-6,28,992	-1%
deposits investments advances	2,08,96,745	2,10,11,169	1,14,424	1%
sundry debtors	14,25,06,695	9,75,60,309	-4,49,46,387	-32%
other current assets	64,67,017	1,26,34,482	61,67,465	95%
inventories	12,78,13,200	12,49,62,600	-28,50,600	-2%
cash and cash balance	71,88,277	27,97,522	43,90,754	61%
TOTAL	36,92,37,320	32,27,02,476	4,65,34,844	13%

Interpretation :observed from the above table that the share capital of the company during the year 2018-19 has been increased by 33%. The fixed cost has been decreased by -1%. During the year inventories have been decreased by -2%. whereas the cash have been increased by 61%.

4.1.4 Comparative balance sheet for the year 2018-19 & 2019-20

PARTICULARS	2018-2019	2019-20	Absolute Change	Percentage Change
LIABILITIES				
partners' capital account	2,77,09,085	3,51,68,069	74,58,985	27%
reserves and surplus	5,92,52,057	4,57,05,057	1,35,47,000	-23%
loans	15,80,28,488	14,62,03,844	1,18,24,644	-7%
provisions	5,77,075	10,69,564	4,92,489	85%
sundry creditors	7,27,12,193	8,66,60,626	1,39,48,433	19%
other liabilities	44,23,579	36,08,940	-8,14,638	-18%
TOTAL	32,27,02,476	31,84,16,101	-42,86,375	-1%
ASSETS				
fixed assets	6,37,36,394	5,64,49,627	-72,86,767	-11%
deposits investments advances	2,10,11,169	2,10,91,498	80,329	0%
sundry debtors	9,75,60,309	11,21,05,355	1,45,45,046	15%
other current assets	1,26,34,482	1,43,70,996	17,36,514	14%
inventories	12,49,62,600	10,66,20,140	1,83,42,460	-15%
cash and cash balance	27,97,522	77,78,486	49,80,963	178%
TOTAL	32,27,02,476	31,84,16,101	-42,86,375	-1%

Interpretation: from the above table it has been observed that the share capital of the firm during the year has been increased by 27%. The fixed asset during the year 2017-18 has been decreased by -11%. It has been also observed that the inventories have been decreased by -15% whereas the cash have been increased by 178%.

4.1.5 Comparative balance sheet for the year 2019-20 & 2020-21

PARTICULARS	2019-20	2020-21	Absolute Change	Percentage Change
LIABILITIES				
partners' capital account	3,51,68,069	3,50,31,050	-1,37,020	-0.32%
reserves and surplus	4,57,05,057	5,93,64,672	1,36,59,615	30%
loans	14,62,03,844	18,00,37,618	3,38,33,774	23%
provisions	10,69,564	14,65,776	3,96,212	37%
sundry creditors	8,66,60,626	6,09,09,044	-2,57,51,582	-30%
other liabilities	36,08,940	50,05,384	13,96,444	39%
TOTAL	31,84,16,101	34,18,13,544	2,33,97,443	7%
ASSETS				
fixed assets	5,64,49,627	3,21,47,397	-2,43,02,230	-43%
deposits				
investments				
advances	2,10,91,498	19,12,029	-1,91,79,469	-91%
sundry debtors	11,21,05,355	2,04,16,045	-9,16,89,310	-82%
other current assets	1,43,70,996	14,77,56,794	13,33,85,798	928%
inventories	10,66,20,140	10,92,281	10,55,27,859	99%
cash and cash balance	77,78,486	13,84,88,998	13,07,10,512	168%
TOTAL	31,84,16,101	34,18,13,544	2,33,97,443	7%

Interpretation: it is observed from the above table that the share capital of the company during the year 2020-21 has been decreased by 0.32%. The fixed asset cost has been decreased by -43%. During the year inventories have been increased by 99%. Whereas the cash have been increased 168%.

5.1.6 Comparative balance sheet for the year 2020-21 & 2021-22

PARTICULARS	2020-21	2021-22	Absolute Change	Percentage Change
LIABILITIES				
partners' capital account	3,50,31,050	5,07,60,097	1,57,29,047	45%
reserves and surplus	5,93,64,672	1,55,78,503	-4,37,86,169	-74%
loans	18,00,37,618	9,10,26,252	-8,90,11,366	-49%
provisions	14,65,776	31,00,230	16,34,454	112%
sundry creditors	6,09,09,044	11,16,65,126	5,07,56,082	83%
other liabilities	50,05,384	14,08,841	-35,96,543	-72%
TOTAL	34,18,13,544	27,35,39,048	-6,82,74,496	-20%
ASSETS				
fixed assets	3,21,47,397	5,07,53,169	1,86,05,772	58%
deposits investments advances	19,12,029	89,58,334	70,46,305	369%
sundry debtors	2,04,16,045	7,12,26,335	5,08,10,291	249%
other current assets	14,77,56,794	1,39,47,223	-13,38,09,571	-91%
inventories	10,92,281	12,45,19,138	12,34,26,857	1130%
cash and cash balance	13,84,88,998	41,34,849	-13,43,54,149	-97%
TOTAL	34,18,13,544	27,35,39,048	-6,82,74,495	-20%

Interpretation: it is observed from the above table that the share capital of the company during the year 2020-21 has been decreased by 0.32%. The fixed asset cost has been decreased by -43%. During the year inventories have been increased by 99%. Whereas the cash have been increased 168%.

4.2 Comparative P&L

4.2.1 Comparative profit & loss account for the year 2015-16&2016-17

PARTICULARS	2015-2016	2016-2017	Absolute Change	Percentage Change
INCOME(A)				
sales	450760082	481350715	30590633	7%
other income	2188106.35	31955423.06	29767316.71	1360%
TOTAL	472641188.4	513306138.1	40664949.71	9%
EXPENDITURE				
material consumed	386013224	429960903	43947679	11%
purchase and processing expenses	31780431.04	26108248.81	-5672182.23	-18%
establishment expenses	8265877.51	7728560.83	-537316.68	-7%
clearing and forwarding	771385	1850343.65	1078958.65	140%
finance changes	17440499.54	14100987.45	-3339512.09	-19%
other expenses	11757166.65	15868645.58	4111478.93	35%
depreciation	4917858	7965163	3047305	62%
TOTAL	460946441.7	503582852.3	42636410.58	9%
NET PROFIT AND LOSS FOR YEAR(A-B)	11694746.61	9723285.74	-1971460.87	-17%

Interpretation: The comparative profit and loss of H&C Solutions shows 20% increase in sales during the year 2016-17 & 2017-18, other income increased by 66%. Material consumed has been increased by 22%. Other expenses decreased by -7% and net profit have been increased by 19%.

4.2.3 Comparative Profit & Loss Account For The Year 2017-18 & 2018-19

PARTICULARS	2017-2018	2018-2019	Absolute Change	Percentage Change
INCOME(A)				
sales	57,75,77,064	50,68,82,933	-7,06,94,131	-12%
other income	5,30,53,794	1,42,15,396	-3,88,38,397	-73%
TOTAL	63,06,30,858	52,10,98,329	-10,95,32,528	-17%
EXPENDITURE				
material consumed	52,53,05,607	41,54,92,709	-10,98,12,898	-21%
purchase and processing expenses	4,05,36,770	64,80,400	-3,40,56,370	-84%
establishment expenses	1,01,58,779	61,56,439	-40,02,340	-39%
clearing and forwarding	21,15,821	17,55,720	-3,60,100	-17%
finance changes	1,64,84,323	1,36,01,414	-28,82,909	-17%
other expenses	1,46,02,158	5,54,16,491	4,08,14,333	280%
depreciation	98,10,926	99,76,136	1,65,210	2%
TOTAL	61,90,14,383	50,88,79,308	-11,01,35,075	-18%
NET PROFIT AND LOSS FOR YEAR(A-B)	1,16,16,474	1,22,19,021	6,02,547	5%

Interpretation: from the above table it shows that in the year 2018-19 the sales of the company have been decreased by -12%, other income decreased by -73% and also material consumed has been decreased by -21%. The company incurred an increase of 280% other expenses from previous year. And net profit has been increased by 5%.

4.2.4 Comparative Profit & Loss Account For The Year 2018-19&2019-20

PARTICULARS	2018-2019	2019-2020	Absolute Change	Percentage Change
INCOME(A)				
sales	50,68,82,933	37,61,59,311	-13,07,23,622	-26%
other income	1,42,15,396	1,53,15,908	11,00,512	8%
TOTAL	52,10,98,329	39,14,75,219	-13,18,24,134	-25%
EXPENDITURE				
material consumed	41,54,92,709	30,95,09,813	-10,59,82,896	26%
purchase and processing expenses	64,80,400	3,38,54,333	2,73,73,933	422%
establishment expenses	61,56,439	1,02,33,800	40,77,361	66%
clearing and forwarding	17,55,720	49,700	-17,06,020	-97%
finance changes	1,36,01,414	90,62,730	-45,38,684	-33%
other expenses	5,54,16,491	1,11,14,642	-4,43,01,849	-80%
depreciation	99,76,136	87,19,805	-12,56,331	-13%
TOTAL	50,88,79,308	38,25,44,822	-12,63,34,486	-25%
NET PROFIT AND LOSS FOR YEAR(A-B)	1,22,19,021	89,30,398	-32,88,624	-27%

Interpretation: from the above table it shows that in the year 2019-20 the sales of the company have been decreased by -26%. Other income has a gradual increase of 8%. Material consumed has been decreased by -26%. Other expenses have been decreased by -80% and net profit have been decreased by 27%.

4.2.5 Comparative Profit & Loss Account For The Year 2019-20 & 20-21

PARTICULARS	2019-2020	2020-2021	Absolute Change	Percentage Change
INCOME(A)				
sales	37,61,59,311	63,68,27,108	26,06,67,797	69%
other income	1,53,15,908	23,75,11,771	22,21,95,863	1451%
TOTAL	39,14,75,219	87,43,38,879	48,28,63,659	123%
EXPENDITURE				
material consumed	30,95,09,813	7,34,36,079	-23,60,73,734	-76%
purchase and processing expenses	3,38,54,333	52,34,14,753	48,95,60,420	1446%
establishment expenses	1,02,33,800	2,53,28,625	1,50,94,825	147%
clearing and forwarding	49,700	18,90,053	18,40,353	3703%
finance charges	90,62,730	1,66,13,681	75,50,951	83%
other expenses	1,11,14,642	1,71,22,364	60,07,722	54%
depreciation	87,19,805	1,78,98,998	91,79,193	105%
TOTAL	38,25,44,822	67,57,04,553	29,31,59,731	77%
NET PROFIT AND LOSS FOR YEAR(A-B)	89,30,398	1,35,14,09,106	1,34,24,78,709	15033%

Interpretation: from the above table it shows that in the year 2020-21 the sales of the company have been increased by 69%. Other income have had massive increase of 1451%. Material consumed has been decreased by -76%. Other expenses have been increased by 54% and net profit have been increased by 15033%.

4.3 COMMON SIZE BALANCE SHEET

4.3.1 Common Size Balance Sheet For The Year 2015-16 & 2016-17

PARTICULARS	2015-2016	%	2016-2017	%
Liabilities				
partners' capital account	35031049.61	10%	32344582.35	7%
reserves and surplus	59364671.89	18%	59364671.89	13%
loans	180037618	53%	210415456	45%
provisions	1465776	0%	1695420	0%
sundry creditors	60909044	18%	159382101.7	34%
other liabilities				
total liabilities	336808160.4	100%	463202231.9	100%
Assets				
fixed assets	32147396.94	10%	57704493.94	12%
capital work in progress	1912029	1%		
deposit investments advances	20416044.63	6%	20896744.63	5%
sundry debtors	147756794.1	44%	161696905.5	35%
other current assets	1092281	0%	1461633	0%
inventories	129839301	39%	217885476	47%
cash and bank balance	3643413.78	1%	3556978.89	1%
Total Assets	336808160.4	100%	463202231.9	100%

Interpretation: in consecutive years of 2016 and 2017, total of liabilities side of balance sheet was 100% and various components partners' capital account, reserves and surplus, loans, provisions, sundry creditors and other liabilities are computed in terms of percentage. Similarly total of assets is also taken as 100%, and calculations are done for individual components namely fixed assets, investments, sundry debtors thereafter companies are made to evaluate changes which are useful for decision making purpose.

The total fixed asset have been increased 10% in 2016 to 12% in 2017

The percentage of investments have been decreased from 10% to 7%

4.3.2 Common Size Balance Sheet For The Year 2015-16 & 2016-17

PARTICULARS	2016-2017	%	2017-2018	%
Liabilities				
partners' capital account	32344582.35	7%	20820069.51	6%
reserves and surplus	59364671.89	13%	59364671.89	16%
loans	210415456	45%	196722309.2	53%
provisions	1695420	0%	1537776	0%
sundry creditors	159382101.7	34%	86432718.8	23%
other liabilities		0%	43,59,774.54	1%
total liabilities	463202231.9	100%	369237319.9	100%
Assets				
fixed assets	57704493.94	12%	64365386.04	17%
capital work in progress				
deposit investments advances	20896744.63	5%	20896744.63	6%
sundry debtors	161696905.5	35%	142506695.4	39%
other current assets	1461633	0%	6467017	2%
inventories	217885476	47%	127813200	35%
cash and bank balance	3556978.89	1%	7188276.86	2%
Total Assets	463202231.9	100%	369237319.9	100%

Interpretation: in consecutive years of 2017 and 2018, total of liabilities side of balance sheet was 100% and various components partners' capital account, reserves and surplus, loans, provisions, sundry creditors and other liabilities are computed in terms of percentage. Similarly total of assets is also taken as 100%, and calculations are done for individual components namely fixed assets, investments, sundry debtors thereafter companies are made to evaluate changes which are useful for decision making purpose.

The total fixed asset have been increased 12% in 2017 to 17% in 2018

The percentage of investments have been decreased from 7% to 6%

4.3.3 Common size balance sheet for the year 2018-19 & 2019-20

PARTICULARS	2018-2019	%	2019-2020	%
Liabilities				
partners' capital account	27709084.77	9%	35168069.37	11%
reserves and surplus	59252056.89	18%	45705056.89	14%
loans	158028488	49%	146203844	46%
provisions	577075	0%	1069564	0%
sundry creditors	72712192.87	23%	86660626.09	27%
other liabilities	44,23,578.50	1%	36,08,940.30	1%
total liabilities	322702476	100%	318416101.1	100%
Assets				
fixed assets	63736394.41	20%	56449627.21	18%
capital work in progress				0%
deposit investments				
advances	21011168.63	7%	21091497.63	7%
sundry debtors	97560308.5	30%	112105354.5	35%
other current assets	12634482	4%	14370996.07	5%
inventories	124962600	39%	106620140	33%
cash and bank balance	2797522.49	1%	7778485.64	2%
Total Assets	32,27,02,476.00	100%	31,84,16,101.05	100%

Interpretation: in consecutive years of 2018 and 2019, total of liabilities side of balance sheet was 100% and various components partners' capital account, reserves and surplus, loans, provisions, sundry creditors and other liabilities are computed in terms of percentage. Similarly total of assets is also taken as 100%, and calculations are done for individual components namely fixed assets, investments, sundry debtors thereafter companies are made to evaluate changes which are useful for decision making purpose.

The total fixed asset have been decreased 20% in 2018 to 18% in 2019

The percentage of investments have been increased from 9% to 11%

4.3.4 Common size balance sheet for the year 2018-19 & 2019-20

PARTICULARS	2019-2020	%	2020-2021	%
Liabilities				
partners' capital account	35168069.37	11%	50760096.65	18%
reserves and surplus	45705056.89	14%	15578502.89	6%
loans	146203844	46%	91426251.78	33%
provisions	1069564	0%	31,00,229.56	1%
sundry creditors	86660626.09	27%	11,16,65,125.72	40%
other liabilities	36,08,940.30	1%	64,22,141.00	2%
total liabilities	318416101.1	100%	278952347.6	100%
Assets				
fixed assets	56449627.21	18%	50753169.27	18%
capital work in progress				
deposit investments advances	21091497.63	7%	8958333.63	3%
sundry debtors	112105354.5	35%	71226335.45	26%
other current assets	14370996.07	5%	13947223.11	5%
inventories	106620140	33%	124519137.8	45%
cash and bank balance	7778485.64	2%	9548148.37	3%
Total Assets	31,84,16,101.05	100%	27,89,52,347.60	100%

Interpretation: in consecutive years of 2019 and 2020, total of liabilities side of balance sheet was 100% and various components partners' capital account, reserves and surplus, loans, provisions, sundry creditors and other liabilities are computed in terms of percentage. Similarly total of assets is also taken as 100%, and calculations are done for individual components namely fixed assets, investments, sundry debtors thereafter companies are made to evaluate changes which are useful for decision making purpose.

The total fixed asset have no changes in the years 2019-2020

The percentage of investments have been increased from 11% to 18%

4.4.1 Trend Analysis Balance Sheet Of H&C Solutions As On 2015-16 To 2020-2021

Particulars	2015-16	2016-17	2017-18	2018-19	2019-2020	2020-2021
Liabilities						
partners' capital account	100%	92%	59%	79%	100%	145%
reserves and surplus	100%	100%	100%	100%	77%	26%
loans	100%	117%	109%	88%	81%	51%
provisions	100%	116%	105%	39%	73%	212%
sundry creditors	100%	262%	142%	119%	142%	183%
other liabilities	100%					
total liabilities	100%	138%	110%	96%	95%	83%
Assets						
fixed assets	100%	179%	200%	198%	176%	158%
capital work in progress	100%	0%	0%	0%	0%	0%
deposit investments advances	100%	102%	102%	103%	103%	44%
sundry debtors	100%	109%	96%	66%	76%	48%
other current assets	100%	134%	592%	1157%	1316%	1277%
inventories	100%	168%	98%	96%	82%	96%
cash and bank balance	100%	98%	197%	77%	213%	262%
Total Assets	100%	138%	110%	96%	95%	83%

Interpretation:

- In the above balance sheet, the first year that is 2017 is taken as a base for calculating trend percentage of the current year 2018, 2019, 2020 and 2021.
- The particular base year are taken as 100%.
- Current year amount is divided by base year amount.
- Formula for calculating trend analysis is
Trend percentage = present year value/ base year * 100.
- The percentage of partners' capital fluctuates year to year, that is around 100% in the year 2016, it is increased to 92% in the year 2017, and then it is increased to 145% in 2020.
- Liabilities have been 138% in 2017 and then it decreased to 110%,96%,95%,83% during the years
- It is also observed that there is fluctuation in fixed assets, it is 179% in 2017 and then increased to 200% in 2018, and it decreased to 198% in 2019 then it increases to 176% in 2020.
- Inventories have been 168% in 2016, it decreases to 110% in 2017 and then it has been fluctuating from the year between 2018-2021.

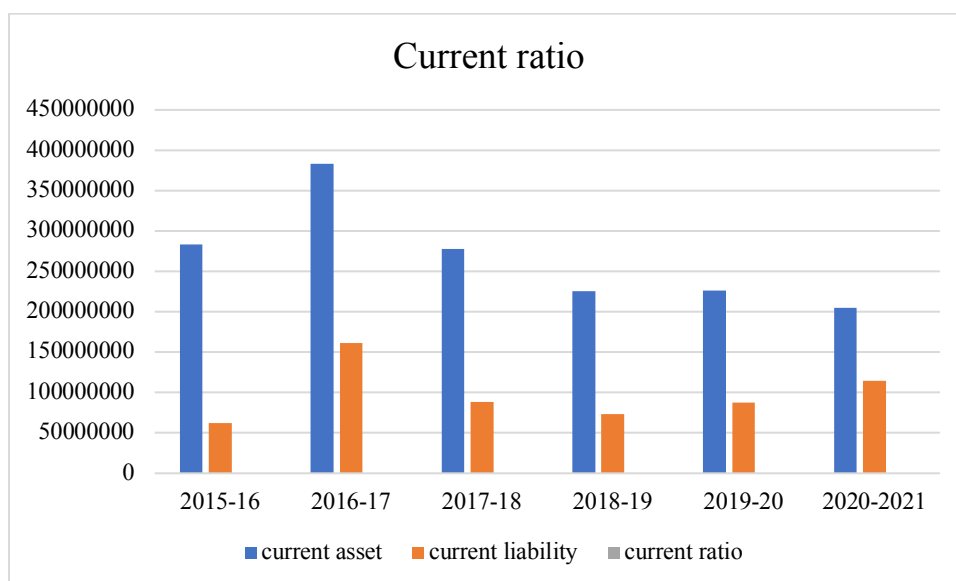
4.5 RATIO ANALYSIS

4.5.1 Liquidity ratio

(1) Current ratio

Current ratio = current asset / current liability

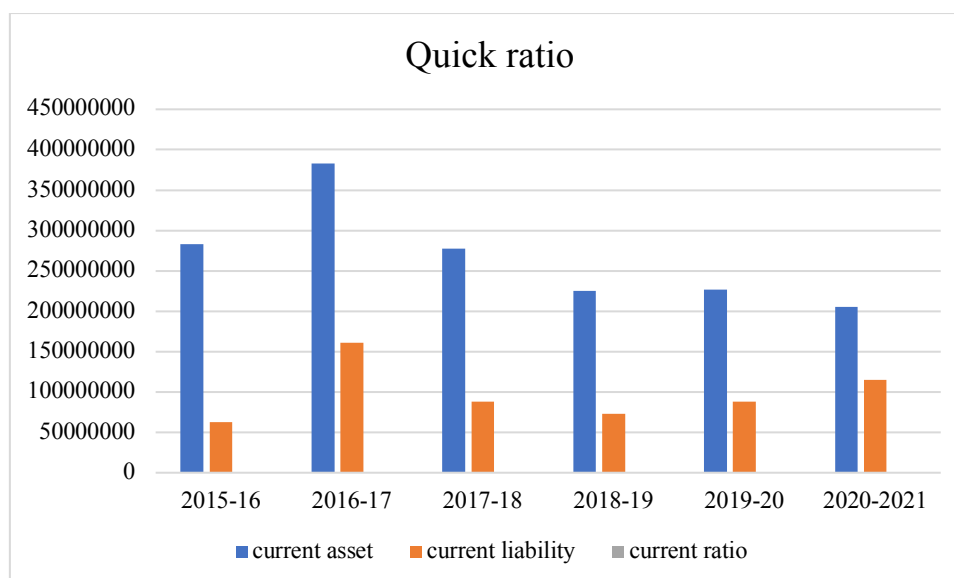
years	2015-16	2016-17	2017-18	2018-19	2019-20	2020-2021
current asset	283151538	383139360.4	277508172	225320431	226503980	205293621.6
current liability	62374820	161077521.7	87970495	73289268	87730190	114765355.3
current ratio	4.54	2.38	3.15	3.07	2.58	1.79



(2). Quick ratio

Quick ratio = (current asset - inventories)/ current liabilities

years	2015-16	2016-17	2017-18	2018-19	2019-20	2020-2021
current asset	283151538	383139360.4	277508172	225320431	226503980	205293621.6
current liability	62374820	161077521.7	87970495	73289268	87730190	114765355.3
current ratio	4.54	2.38	3.15	3.07	2.58	1.79



Interpretation: liquidity ratio

current ratio indicated proportion of current asset and current liabilities. In the above table between the years 2015-16 to 2017-18 the ratio is fluctuating, thereafter it started to decreasing till 2020-2021. This indicates fluctuating current ratio between current asset and current liabilities.

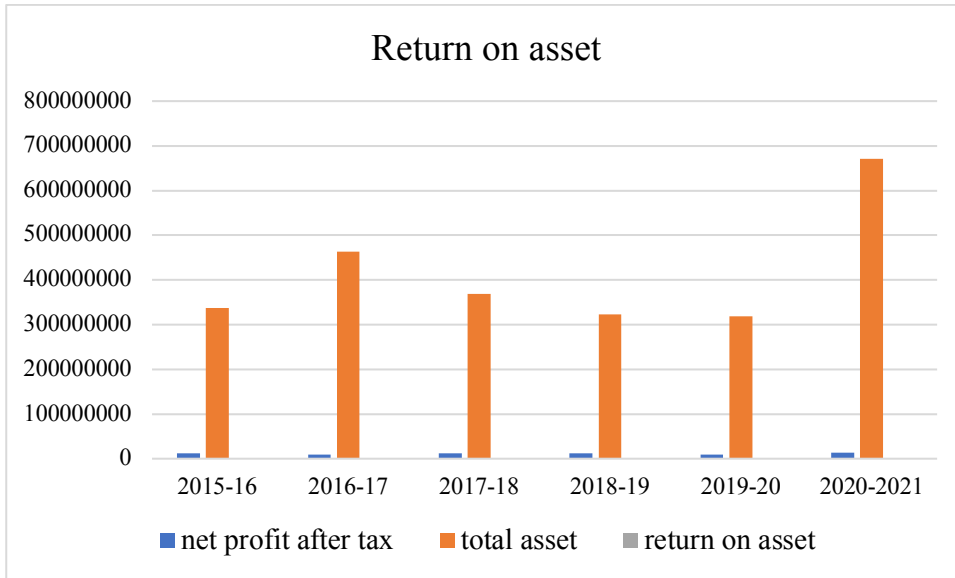
Quick ratio indicated proportion of quick assets and quick liabilities. In the above table between the years 2015-6 to 2017-18 the ratio is fluctuating, thereafter it started to decreasing gradually till 2020-2021. This indicates fluctuating quick ratio between quick asset and quick liabilities.

4.5.2 profitability ratio

(1) return on asset

$$\text{return on asset} = (\text{net profit after interest and tax} / \text{total asset})$$

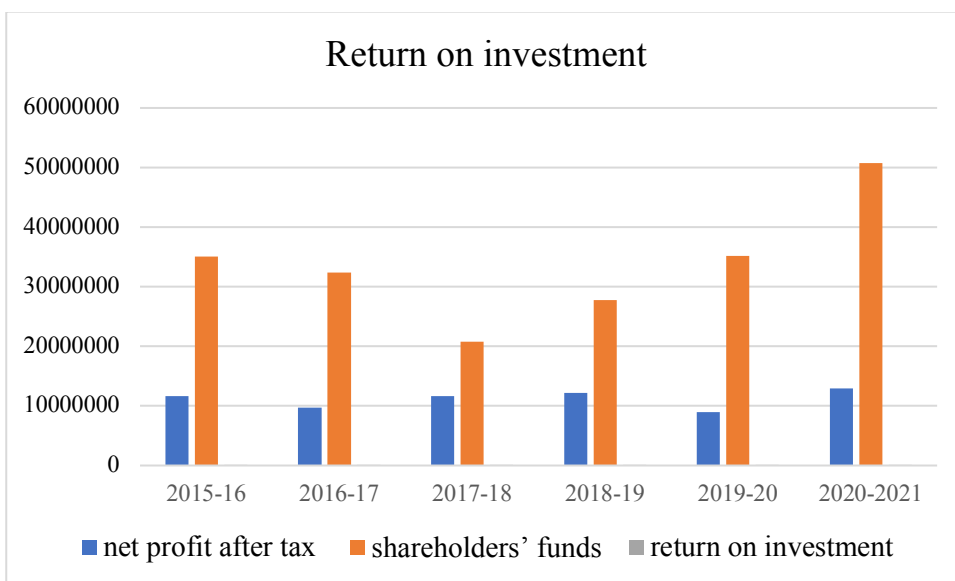
years	2015-16	2016-17	2017-18	2018-19	2019-20	2020-2021
net profit after tax	11694747	9723285.74	11616474.2	12219021.26	8930397.7	12925327.28
total asset	336808160	463202231.9	369237320	32,27,02,476.00	31,84,16,101.05	67,04,24,759.66
return on asset	0.03	0.02	0.03	0.04	0.03	0.02



(2) return on investment

return on investment = (net profit after interest and tax/shareholders' funds)*100

years	2015-16	2016-17	2017-18	2018-19	2019-20	2020-2021
net profit after tax	11694747	9723285.74	11616474.2	12219021.26	8930397.7	12925327.28
shareholders' funds	35031050	32344582.35	20820069.5	27709084.77	35168069.37	50760096.65
return on investment	33.4	30.1	55.8	44.1	25.4	25.5



Interpretation: return on asset

This ratio measures the profitability of investments. The ratio is fluctuating between the year 2015-16 to 2017-18. But then, thereafter it started to gradually decrease till 2020-2021. which is not good sign.

Return on investment

Return on investment is issued to assess the overall efficiency of an organization, higher the ratio better the effects. The ratio is fluctuating between the year 2015-2021. Which is not good sign .

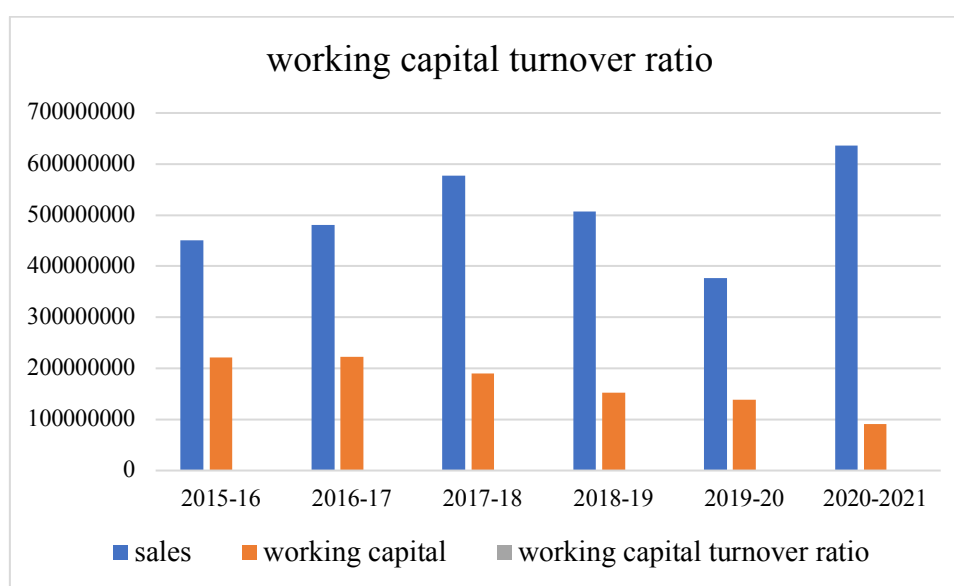
4.5.3 Activity ratio

(1) working capital turnover ratio

working capital turnover ratio = sales / working capital

working capital = current asset – current liability

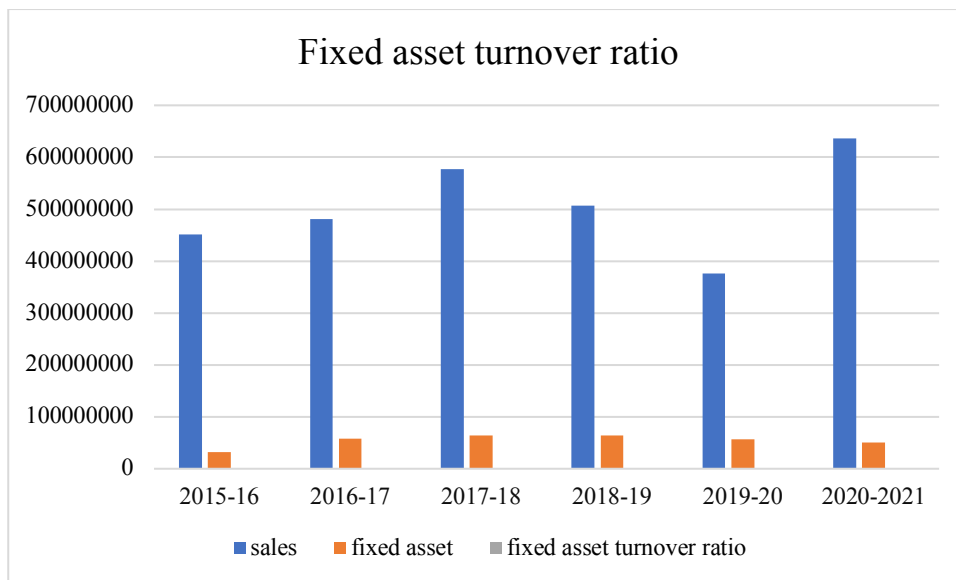
years	2015-16	2016-17	2017-18	2018-19	2019-20	2020-2021
sales	450760082	481350715	577577064	506882933	376159311	636827107.9
working capital	220776718	222061838.7	189537677	152031163.1	138773790.1	90528266.31
working capital turnover ratio	2.0	2.2	3.0	3.3	2.7	7.0



(2) fixed asset turnover ratio

$$\text{fixed asset turnover ratio} = \text{sales} / \text{fixed asset}$$

years	2015-16	2016-17	2017-18	2018-19	2019-20	2020-2021
sales	450760082	481350715	577577064	506882933	376159311	636827107.9
fixed asset	32147397	57704493.94	64365386	63736394.41	56449627.21	50753169.27
fixed asset turnover ratio	14.02	8.34	8.97	7.95	6.66	12.55



Interpretation: working capital turnover ratio and fixed asset turnover ratio

It is stock turnover ratio that appraises how fast the inventory is moving, via the enterprise and generating sales.

Working capital turnover ratio indicated proportion of sales and working capital. In the above table between the years 2015-16 to 2019-20 the ratio is fluctuating. Further it increased significantly.

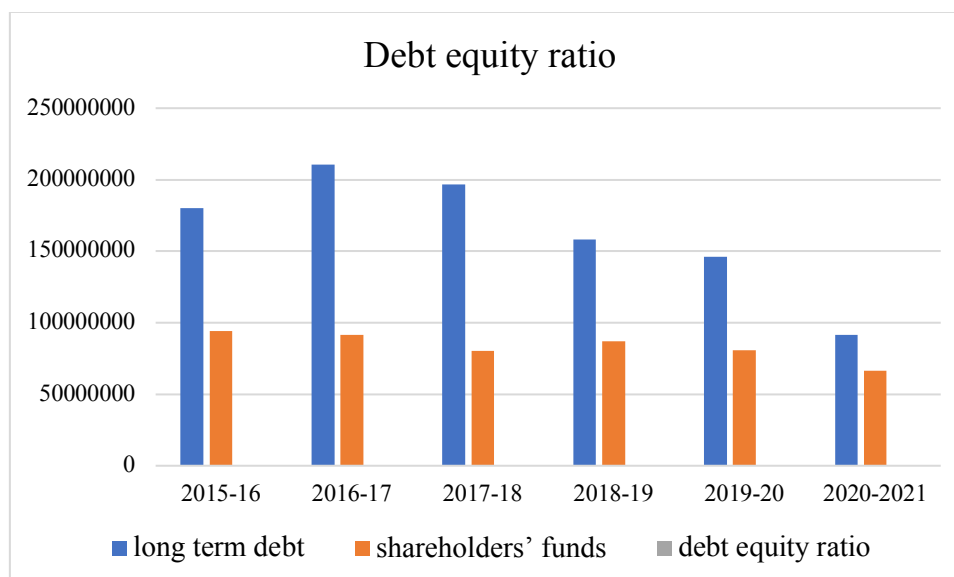
Fixed asset turnover ratio indicated proportion of sales and fixed assets. In the above table observed that between the years 2015-16 to 2020-2021 the ratio is fluctuating. This indicates fluctuating the fixed asset turnover ratio between the sales and fixed asset.

4.5.4 solvency ratio

(1) debt equity ratio

debt equity ratio = long term debt / shareholders' funds

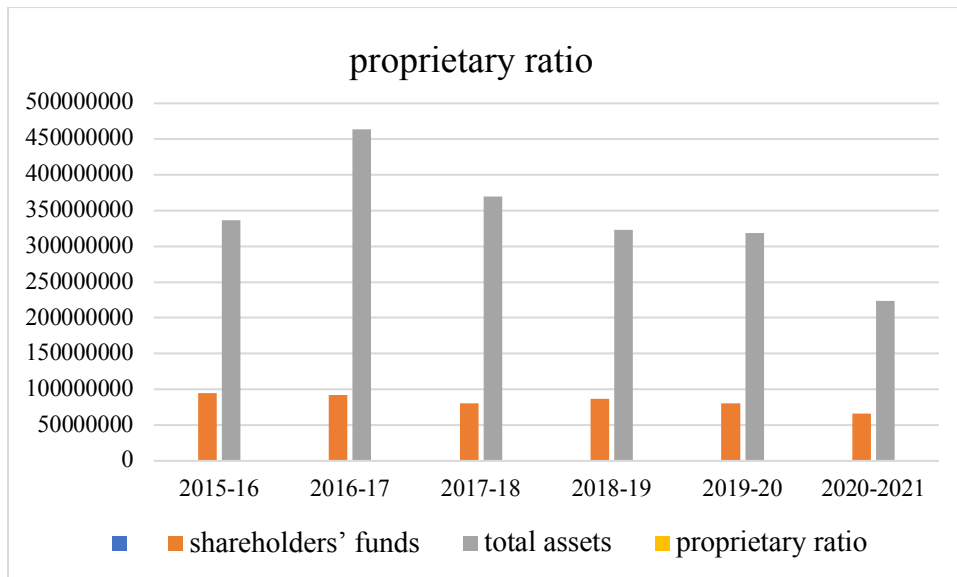
years	2015-16	2016-17	2017-18	2018-19	2019-20	2020-2021
long term debt	180037618	210415456	1967223092	158028488	146203844	9142625178
shareholders' funds	94395722	9170925424	801847414	8696114166	8087312626	6633859954
debt equity ratio	1.91	2.29	2.45	1.82	1.81	1.38



(2) proprietary ratio

Proprietary ratio = shareholders' funds / total assets

years	2015-16	2016-17	2017-18	2018-19	2019-20	2020-2021
shareholders' funds	94395722	91709254	80184741	86961141.6	80873126.2	66338599.5
total assets	336808160	463202231.9	369237319.9	32,27,02,476.00	31,84,16,101.05	22,41,03,452.24
proprietary ratio	0.28	0.20	0.22	0.27	0.25	0.30



Interpretation: debt equity ratio and proprietary ratio

Test of solvency ratio indicates a firm’s ability to meet the fixed interest, cost and repayment schedules in connection with its long term liabilities

The debt equity ratio indicates the relative proportion of debts and equity in financing the total assets of the firm. It is observed from the above table that the ratio is increasing trend from 2015-16 to 2017-18, but then decreasing in the year 2018-19 to 2020-21. It indicates that the firm is depending on internal funds.

Proprietary ratio indicates the proportion of total assets financed by the shareholders. Proprietary is showing the ratio is fluctuating between the years. This suggest that the shareholders does not have claim to the total asset of the company.

CHAPTER 5
FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS

- The firm's processing facility is strategically placed in Ernakulam, ensuring an adequate supply of high quality products with short delivery times and minimal transportation cost.
- It is found that there is increase in cash in the year 2018-2019 when compared to 2017-2018 and also in the year 2019- 2020 when compared to 2018-2019
- The sales decreased and also the profitability decreased drastically because of the decrease in sales as well as loss occurred because of the increase in short -term borrowing of the company.
- The firm's operation income decreased by 16% which may due to current challenges
- The comparative analysis proves that the current year's value must be compared to previous year's values. The partners' capital fund has been growing year after year.
- The total liability side and total asset side of the balance sheet, as well as sales in the profit and loss account, are all computed in percentages, and numerous other components are also computed in percentages. These components are designed to assess changes that are relevant to decision making. Since total expenses have remained constant over the last two years, total revenue has remained consistent as well.
- The ratio analysis explains that the current ratio is more than the standard ratio which means current assets are more than the specified norm which portrays that idle funds are invested in current assets. The company's solvency ratio is high which indicates the strong solvency position of the company.
- The price movements on the international market also influence the selling price

5.2 SUGGESTIONS

- H&C Solutions must be able to create brand awareness among the customers so that they can make profit by increasing sales.
- The profit of the firm has drastically decreased therefore, the company must take measure to boost the sales which in turn increase the sales.
- The company should take measures to make customers pay the debt on time.
- The firm should reduce their investment in current asset. It also need to conduct a market research as to why it's not getting global market acceptance.
- The firm must focus on optimum utilization of resources in order to earn maximum return.
- The company should try to decrease it cost of production.
- The surplus cash balance of the company must be utilized to some other productive purposed so as to maximize profit.
- With regards to complexity and expanded operation of the firm, the internal audit system should be strengthened.
- The stock must be verified by some professionals so as to avoid over valuation of inventories.

5.3 CONCLUSION

The study was conducted in H&C solutions. The main objective of the study has been conducted in order to find out the financial position of the firm during the period from 2015 to 2021. From the analysis done, interpretation made we came to the conclusion that the company has to increase the efficiency in utilization of resources.

The study gives as a clear idea of the overall financial position of the company over the last 6 years. From the study it is clear that the financial position of the company has to be improved. The study examines H&C Solutions financial results. The study will serve as a roadmap for future capital resource planning and utilization. The business both developed infrastructure and people resources. It has resource proficiency that enables the production of high quality products.

Customers can be several types depending on the country and the individual. The management does everything possible to please every single customer. The management has set success as its aim for the workers. The advancement of the industry has raised by the accomplishment of each department goals.

The business has suffered losses as a result of the pandemic, earlier financial difficulties. Nearly all exporting business, including the H&C Solutions, have been impacted by the pandemic. The business is certain that it will make money this year, and it's currently operating profitably.

The firm's goal is to have appropriate target groups, good quality products, competitive target groups, good quality products, competitive price strategy, smooth distribution, and successful promotional activities. The challenges encountered are dealt expertly and rapidly.

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APPENDIX

Profit & Loss account of H&C Solutions, Muvattupuzha, 2015-2021

particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-2021
income						
sales	450760082	481350715	577577064	506882933	376159311	636827107.9
other income	2188106.35	31955423.06	53053793.53	14215396.34	15315908	23751771.05
total	472641188.4	513306138.1	630630857.5	521098328.3	391475219	660578878.9
expenditure						
material consumed	386013224	429960903	525305606.8	415492708.7	309509813	73436078.53
purchases and processing expenses	31780431.04	26108248.81	40536770.23	6480400	33854333	523414753.3
establishment expenses	8265877.51	7728560.83	101587780.7	6156438.66	1023799.5	25328625.02
clearing and forwarding expenses	771385	1850343.65	2115820.76	1755720.4	49700	1890053.37
finance charges	17440499.54	14100987.45	16484322.86	13601413.51	9062730	16613681.35
other expenses	11757166.65	15868645.58	14602158.08	55416490.82	11114642	17122363.82
Depreciation	4917858	7965163	9810926	9976136	8719805	7746994
total	460946441.7	503582852.3	619014383.4	508879308.1	382544822	647653551.6
net profit and loss for the year	11694746.61	9723285.74	11616474.16	12219021.26	8930397.7	12925327.28

Balance sheet of H&C Solutions, Muvattupuzha ,2015&2021

particulars	2015-16	2016-17	2017-18	2018-19	2019-2020	2020-2021
liabilities						
partners capital account	350310 50	3234458 2.35	2082006 9.51	27709084.7 7	35168069.3 7	50760096.6 5
reserves and surplus	593646 72	5936467 1.89	5936467 1.89	59252056.8 9	45705056.8 9	15578502.8 9
loans	180037 618	2104154 56	1967223 09.2	158028488	146203844	91426251.7 8
provisions	146577 6	1695420	1537776	577075	1069564	31,00,229.5 6
sundry creditors	609090 44	1593821 01.7	8643271 8.8	72712192.8 7	86660626.0 9	11,16,65,12 5.72
other liabilities			43,59,77 4.54	44,23,578.5 0	36,08,940.3 0	64,22,141.0 0
total liabilities	336808 160	4632022 31.9	3692373 19.9	322702476	318416101. 1	278952347. 6
assets						
fixed assets	321473 97	5770449 3.94	6436538 6.04	63736394.4 1	56449627.2 1	50753169.2 7
capital work in progress	191202 9					
deposit investments						
advances	204160 45	2089674 4.63	2089674 4.63	21011168.6 3	21091497.6 3	8958333.63
sundry debtors	147756 794	1616969 05.5	1425066 95.4	97560308.5	112105354. 5	71226335.4 5
other current assets	109228 1	1461633	6467017	12634482	14370996.0 7	13947223.1 1
inventories	129839 301	2178854 76	1278132 00	124962600	106620140	124519137. 8

cash and bank balance	364341 3.8	3556978. 89	7188276. 86	2797522.49	7778485.64	9548148.37
total assets	336808 160	4632022 31.9	3692373 19.9	32,27,02,47 6.00	31,84,16,10 1.05	27,89,52,34 7.60