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## **A Study On Financial Ratio Analysis Of Planys Technologies Pvt. Ltd.**

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### **ABSTRACT**

A Study on Financial ratio analysis of Planys Technologies Pvt.Ltd” Ratio analysis is one of the widely used tool of financial analysis. It means expressing one item in relation to another in numerical term. To have a better understanding and details about the financial statement, the analysis has been done using ratio analysis. Every business undertaking needs finance for its smooth working. It has to raise funds from the cheapest and less risky source to utilize this in the most effective manner. So every company will be interested in knowing its financial performance. This study is vital because just earning profit is not enough, a business should earn sufficient profit to cover its cost of capital and create surplus to grow. This study aims to analyze the liquidity, profitability, solvency position of the firm and its efficiency. The data is collected through secondary data. The study covers a period of five years i.e. from FY 2015-2016 TO FY 2019-2020. The study reveals that the financial performance is better. However, the shareholders fund against the outsider’s fund should be increased. The company should take suitable measures to increase its profitability position. Adequate steps have to be taken to improve its cash position and to reduce the operating expenses. However, the company needs to minimize the operating expenses to get higher net profit. In order to carry on the business successfully the company should improve its liquidity and solvency position in the long run.

**Key word:** Financial Ratio, Profitability, Share holders

### **INTRODUCTION OF THE STUDY:**

Financial statements or financial reports are formal records of the financial activities of a business, person or other entity. It is an organized collection of data according to logical and consistent accounting procedures. Its purpose is to convey the business activities and the financial performance of a company. It states a series of activities over a given period of time, as in the case of an income statement. It provides an overview of

a business or person's financial condition in both short and long term. In financial statement all the relevant financial information of a business enterprise is presented in a structured manner and in the form of easy to understand.

The focus of the financial analysis is on key figures in the financial statements and the significant relationships exist between them. The analysis of financial statements is a process of evaluating relationships between component parts of financial statements to obtain a better understanding of the firm's position and performance.

#### **REVIEW OF LITERATURE:**

**Kaur (2016)** in his study concluded that the advantage of ratio analysis is for judging the company's efficiency in terms of its operations and management, locating weakness of the company's operations, help a company to formulate future plans for establishing future trends of its financial performance

**Kumar Mohan M.S, Vasu. V. and Narayana T. (2017)** in their study concluded that different ratios, mean, standard deviation and Attman's Z score can be used to study the financial health of the company. The study revealed there was a positive correlation between liquidity and profitability ratios except return on total assets as well as Z score value indicate good health of the company.

**Pavithra, J., Ramamoorthy, R., Satyapira Das, S (2018)**, in their study on "Evaluating the effectiveness of working capital management in Googlesoft technologies" revealed that the stock turnover ratio should be maintained at constant level and trend analysis can be used for suggesting the fixed asset and current asset in order to understand the financial condition of the company. The working capital tells about the company's ability of payments of short-term liabilities and financial ratios play a vital role to judge the financial solvency of the company.

**Pavithra, J., Thooyamani, K.P., Dkhar, K (2019)**, in their study on "The working capital management of TVS credit services limited" concluded that the Working Capital is a lifeline of every industry, irrespective of whether it's a manufacturing industry or a service industry. Working Capital is the major and most significant necessity for carrying out the day to day processes of the business. The positive working capital indicates that company has the ability of payments of short-term liabilities.

**Hery (2020)**, in his study concluded that solvency or leverage ratio, is the ratio for the measurement of a company's assets funded by debt. It can be said that the solvency ratio or leverage ratio is used to measure the amount of debt burden that must be borne by the company to fulfill the assets. He also concluded that Financial statements are an important source of information for its users, especially in the context of decision making.

### **NEED FOR THE STUDY:**

The study is needed to know the relationship between different financial aspects of the company and helps in financial planning and forecasting activities. It helps to know the existing organisational activity and its growth and aids to analyse the profitability, solvency, working capital management, liquidity and operating effectiveness of the company in a more realistic manner. The study is helpful to find out the existing financial strength and weakness and helps in making quantitative and qualitative judgements about the future prospects of the company. Financial ratios serves as an important tool in making sound decisions about the financial viability and helps to take appropriate decisions for the growth of the organisation at the right time.

### **OBJECTIVES OF THE STUDY:**

- ❖ To analyse the existing financial position of the company.
- ❖ To identify the financial strengths and weakness of the company.
- ❖ To suggest suitable measures to improve the financial health of the company.

### **SCOPE OF THE STUDY:**

The scope of the study primarily focuses on analyzing the organization's existing financial position by using financial ratios. These ratios help to identify the company's liquidity, profitability and solvency position of the company. It helps the management to take necessary steps for performance improvement. Financial ratios also helps the various stakeholders like investors, creditors, top management, customers to make qualitative decisions. It is carried out analyse the past, current and future performance for the purpose of making investment, credit and other economic decisions. It is helpful to compare the company's performance with peer companies or industry averages for the betterment of the company.

### **RESEARCH METHODOLOGY:**

Research Methodology is the way to systematically solve the research problem.

#### **✓ SOURCE OF DATA: Secondary Data.**

Secondary data is collected from annual reports, manuals, company records, balance sheets and other necessary records.

#### **✓ TYPE OF RESEARCH DESIGN: ANALYTICAL RESEARCH DESIGN.**

Analytical Research Design means company's past data is collected to analyse the liquidity and profitability position of the company.

Data analysis and interpretation is done with the help of secondary data collected through company's financial statements which includes the following

1. Statement of Profit & Loss
2. Balance sheet

Tool used: Ratio Analysis – 1. Profitability ratios  
 2. Turnover ratios  
 3. Solvency ratios

**LIMITATION OF THE STUDY:**

- The study is limited to five years of Financial data
- The study is purely based on secondary data like company balance sheets, profit & loss accounts, annual reports and company websites
- The ratio is calculated from past financial statements and these are not indicators of future.
- Usage of different accounting principles and methods in the company which might vary from other companies in the industry
- Price level changes, local factors, specific competition, general economic condition and management policies are ignored in financial analysis

**DATA ANALYSIS AND INTERPRETATION**

**COMMONSIZE BALANCE SHEET**

**TABLE SHOWING COMMON SIZE BALANCE SHEET AS ON YEARS 2016 & 2017**

PARTICULARS	31-MAR-2016	PERCENTAGE	31-MAR-2017	PERCENTAGE
<b>Current Assets</b>				
Cash	1,44,25,134	87.04%	8,88,480	12.76%
Other current assets	6,19,289	3.73%	1,92,761	2.77%
Trade receivables	----	----	12,85,210	18.46%
Short Term loans and advances	36,860	0.22%	5,03,765	7.24%
<b>Total Current Asset (A)</b>	<b>1,50,81,283</b>	<b>90.99%</b>	<b>28,70,216</b>	<b>41.23%</b>
<b>Non-Current Assets</b>				
Tangible Assets	4,06,073	2.45%	36,26,053	52.08%
Intangible Assets	1,59,964	0.97%	1,58,704	2.28%

Capital Work in Progress	9,25,280	5.58%	----	4.41%
Deferred Tax Asset	----	----	3,07,133	----
<b>Total Non-Current Assets (B)</b>	14,91,317	9.01%	4,091,890	58.77%
<b>Total Assets</b>	1,65,72,600	100%	69,62,106	100%
<b>Current Liabilities</b>				
Trade Payables	2,59,079	1.56%	2,02,857	2.91%
Short Term Provisions	----	----	1,44	0.002%
Other Current Liabilities	36,623	0.22%	1,67,771	2.41%
<b>Total Current Liabilities (A)</b>	2,95,702	1.78%	3,70,772	5.32%
<b>Non-Current Liabilities</b>				
Long Term Provisions	----	----	98,463	1.41%
Deferred Tax Liability	2,626	0.015%	----	----
<b>Total Non-Current Liabilities (B)</b>	2,626	0.015%	98,463	1.41%
<b>Total Liabilities</b>	2,98,328	1.80%	4,69,235	6.73%
<b>Shareholder's Funds</b>				
Share Capital	1,76,00,000	106.199%	1,76,00,000	252.79%

Reserves and Surplus	(13,25,728)	(7.99%)	(1,11,07,128)	(159.54%)
<b>Total Shareholder's Funds</b>	1,62,74,272	98.2%	64,92,872	93.271%
<b>Total Liabilities and Capital</b>	1,65,72,600	100%	69,62,107	100%

**TABLE SHOWING COMMON SIZE BALANCE SHEET AS ON YEARS 2017 & 2018**

PARTICULARS	31-MAR-2017	PERCENTAGE	31-MAR-2018	PERCENTAGE
<b>Current Assets</b>				
Cash & Cash equivalents	8,88,480	12.76%	6,77,87,307	84.09%
Other current assets	1,92,761	2.77%	8,47,559	1.05%
Trade receivables	12,85,210	18.46%	19,15,120	2.38%
Short Term loans and advances	5,03,765	7.24%	24,48,231	3.04%
<b>Total Current Asset (A)</b>	28,70,216	41.23%	7,29,98,217	90.56%
<b>Non-Current Assets</b>				
Tangible Assets	36,26,053	52.08%	29,39,725	3.65%
Intangible Assets	1,58,704	2.28%	9,05,680	1.12%
Capital Work in Progress	----	4.41%	6,69,915	0.83%
Deferred Tax Asset	3,07,133	----	30,96,983	3.84%
<b>Total Non-Current Assets</b>	4,091,890	58.77%	76,12,303	9.44%

(B)				
<b>Total Assets</b>	69,62,106	100%	8,06,10,520	100%
<b>Current Liabilities</b>				
Trade Payables	2,02,857	2.91%	17,90,344	2.22%
Short Term Provisions	1,44	0.002%	2,11,458	0.26%
Other Current Liabilities	1,67,771	2.41%	1,66,93,127	20.71%
<b>Total Current Liabilities (A)</b>	3,70,772	5.32%	1,86,94,929	23.19%
<b>Non-Current Liabilities</b>				
Long Term Provisions	98,463	1.41%	4,99,498	0.62%
Deferred Tax Liability	----	----	----	----
<b>Total Non-Current Liabilities (B)</b>	98,463	1.41%	4,99,498	0.62%
<b>Total Liabilities</b>	4,69,235	6.73%	1,91,94,427	23.81%
<b>Shareholder's Funds</b>				
Share Capital	1,76,00,000	252.79%	2,21,35,600	27.46%
Reserves and Surplus	(1,11,07,128)	(159.54%)	3,92,80,494	48.73%
<b>Total Shareholder's Funds</b>	64,92,872	93.271%	6,14,16,094	76.19%
<b>Total Liabilities and Capital</b>	69,62,107	100%	8,06,10,521	100%

**TABLE SHOWING COMMON SIZE BALANCE SHEET AS ON YEARS 2018 & 2019**

PARTICULARS	31-MAR-2018	PERCENTAGE	31-MAR-2019	PERCENTAGE
<b>Current Assets</b>				
Inventory	----	----	26,36,887	2.10%
Current Investment	----	----	1,12,85,211	8.99%
Cash & Cash equivalents	6,77,87,307	84.09%	3,51,87,285	28.06%
Other current assets	8,47,559	1.05%	73,88,300	5.89%
Trade receivables	19,15,120	2.38%	65,14,938	5.19%
Short Term loans and advances	24,48,231	3.04%	29,46,365	2.35%
<b>Total Current Asset (A)</b>	<b>7,29,98,217</b>	<b>90.56%</b>	<b>6,59,58,986</b>	<b>52.59%</b>
<b>Non-Current Assets</b>				
Tangible Assets	29,39,725	3.65%	1,13,68,877	9.06%
Intangible Assets	9,05,680	1.12%	10,35,945	0.83%
Capital Work in Progress	6,69,915	0.83%	2,23,58,230	17.83%
Deferred Tax Asset	30,96,983	3.84%	2,46,94,767	19.69%
<b>Total Non-Current Assets (B)</b>	<b>76,12,303</b>	<b>9.44%</b>	<b>5,94,57,819</b>	<b>47.41%</b>
<b>Total Assets</b>	<b>8,06,10,520</b>	<b>100%</b>	<b>12,54,16,805</b>	<b>100%</b>
<b>Current Liabilities</b>				



Trade Payables	17,90,344	2.22%	11,42,344	0.91%
Short Term Provisions	2,11,458	0.26%	6,54,426	0.52%
Other Current Liabilities	1,66,93,127	20.71%	1,55,44,149	12.39%
<b>Total Current Liabilities (A)</b>	<b>1,86,94,929</b>	<b>23.19%</b>	<b>1,73,40,919</b>	<b>13.82%</b>
<b>Non-Current Liabilities</b>				
Long Term Provisions	4,99,498	0.62%	10,53,143	0.84%
Deferred Tax Liability	----	----	----	----
<b>Total Non-Current Liabilities (B)</b>	<b>4,99,498</b>	<b>0.62%</b>	<b>10,53,143</b>	<b>0.84%</b>
<b>Total Liabilities</b>	<b>1,91,94,427</b>	<b>23.81%</b>	<b>1,83,94,062</b>	<b>14.67%</b>
<b>Shareholder's Funds</b>				
Share Capital	2,21,35,600	27.46%	2,57,02,600	20.49%
Reserves and Surplus	3,92,80,494	48.73%	8,13,20,143	64.84%
<b>Total Shareholder's Funds</b>	<b>6,14,16,094</b>	<b>76.19%</b>	<b>10,70,22,743</b>	<b>85.33%</b>
<b>Total Liabilities and Capital</b>	<b>8,06,10,521</b>	<b>100%</b>	<b>12,54,16,805</b>	<b>100%</b>

**TABLE SHOWING COMMON SIZE BALANCE SHEET AS ON YEARS 2019 & 2020**

PARTICULARS	31-MAR-2019	PERCENTAGE	31-MAR-2020	PERCENTAGE
Current Assets				

Inventory	26,36,887	2.10%	68,36,803	6.35%
Current Investment	1,12,85,211	8.99%	92,453	0.09%
Cash & Cash equivalents	3,51,87,285	28.06%	28,32,997	2.63%
Other current assets	73,88,300	5.89%	1,03,04,747	9.57%
Trade receivables	65,14,938	5.19%	3,18,49,601	29.58%
Short Term loans and advances	29,46,365	2.35%	19,69,498	1.82%
<b>Total Current Asset (A)</b>	<b>6,59,58,986</b>	<b>52.59%</b>	<b>5,38,86,099</b>	<b>50.04%</b>
<b>Non-Current Assets</b>				
Tangible Assets	1,13,68,877	9.06%	1,30,82,624	12.15%
Intangible Assets	10,35,945	0.83%	15,95,218	1.48%
Capital Work in Progress	2,23,58,230	17.83%	1,19,83,263	11.13%
Deferred Tax Asset	2,46,94,767	19.69%	2,71,42,378	25.20%
<b>Total Non-Current Assets (B)</b>	<b>5,94,57,819</b>	<b>47.41%</b>	<b>5,38,03,483</b>	<b>49.96%</b>
<b>Total Assets</b>	<b>12,54,16,805</b>	<b>100%</b>	<b>10,76,89,582</b>	<b>100%</b>
<b>Current Liabilities</b>				
Short Term Borrowings	----	----	79,55,182	7.39%

Trade Payables	11,42,344	0.91%	14,40,605	1.34%
Short Term Provisions	6,54,426	0.52%	2,69,700	0.25%
Other Current Liabilities	1,55,44,149	12.39%	1,30,37,634	12.11%
<b>Total Current Liabilities (A)</b>	<b>1,73,40,919</b>	<b>13.82%</b>	<b>2,27,03,121</b>	<b>21.09%</b>
<b>Non-Current Liabilities</b>				
Long Term Provisions	10,53,143	0.84%	32,06,584	2.98%
Deferred Tax Liability	----	----	----	----
<b>Total Non-Current Liabilities (B)</b>	<b>10,53,143</b>	<b>0.84%</b>	<b>32,06,584</b>	<b>2.98%</b>
<b>Total Liabilities</b>	<b>1,83,94,062</b>	<b>14.67%</b>	<b>2,59,09,705</b>	<b>24.06%</b>
<hr/>				
<b>Shareholder's Funds</b>				
Share Capital	2,57,02,600	20.49%	2,57,02,600	23.87%
Reserves and Surplus	8,13,20,143	64.84%	5,60,77,275	52.07%
<b>Total Shareholder's Funds</b>	<b>10,70,22,743</b>	<b>85.33%</b>	<b>8,17,79,875</b>	<b>75.94%</b>
<b>Total Liabilities and Capital</b>	<b>12,54,16,805</b>	<b>100%</b>	<b>10,76,89,580</b>	<b>100%</b>

**INTERPRETATION:**

In CommonsizeBalancesheet, total assets and total liabilities is taken as a base and all other figures are expressed as percentage of this total. There is a gradual increase in the

current and noncurrent assets from the period 31<sup>st</sup> March 2016 to 31<sup>st</sup> March 2020. There is a fluctuation in the current liabilities of Planys technologies Pvt Ltd. It is increasing for the first two years and gradually decreasing for the next two financial years. There is an upward growth in non-current liabilities. There is a positive growth in the Shareholder's funds from 2016 to 2020. The total current assets for the period ended 31<sup>st</sup> March 2016 was Rs. 1,50,81,283 and it has increased to Rs. 5,38,86,099 for the year ended 31<sup>st</sup> March 2020. The total non-current assets for the period ended 31<sup>st</sup> March 2016 was Rs. 14,91,317 and it has increased to Rs. 5,38,03,483 for the year ended 31<sup>st</sup> March 2020. The total current liabilities for the period ended 31<sup>st</sup> March 2016 was Rs. 2,95,702 and it has increased to Rs. 2,27,03,121 for the year ended 31<sup>st</sup> March 2020. The total non-current liabilities for the period ended 31<sup>st</sup> March 2016 was Rs. 2626 and it has increased to Rs. 32,06,584 for the year ended 31<sup>st</sup> March 2020.

## COMPARATIVE BALANCESHEET

**TABLE SHOWING COMPARATIVE BALANCE SHEET AS ON YEARS 2016 & 2017**

PARTICULARS	31-MAR-2016	31-MAR-2017	INCREASE (+) DECREASE (-)	PERCENTAGE
<b>Assets:</b>				
<b>Current Assets</b>				
Cash	1,44,25,134	8,88,480	-1,35,36,654	-93.84%
Other current assets	6,19,289	1,92,761	-4,26,528	-68.87%
Trade receivables	----	12,85,210	+12,85,210	----
Short Term loans and advances	36,860	5,03,765	+4,66,905	+1266.70%
<b>Total Current Asset (A)</b>	<b>1,50,81,283</b>	<b>28,70,216</b>	<b>-1,22,11,067</b>	<b>-80.971%</b>
<b>Non-Current Assets</b>				
Tangible Assets	4,06,073	36,26,053	+32,19,980	+729.96%
Intangible Assets	1,59,964	1,58,704	-1,260	-0.79%
Capital Work in Progress	9,25,280	----	-9,25,280	----

Deferred Tax Asset	----	3,07,133	+3,07,133	----
<b>Total Non-Current Assets (B)</b>	14,91,317	4,091,890	+26,00,573	+174.38%
<b>Total Assets</b>	1,65,72,600	69,62,106	-96,10,494	-57.99%
<b>Liabilities &amp; Capital</b>				
Trade Payables	2,59,079	2,02,857	-56,222	-21.70%
Short Term Provisions	----	1,44	+1,44	----
Other Current Liabilities	36,623	1,67,771	+1,31,148	+358.10%
<b>Total Current Liabilities (A)</b>	2,95,702	3,70,772	+75,070	+25.39%
<b>Non-Current Liabilities</b>				
Long Term Provisions	----	98,463	+98,463	----
Deferred Tax Liability	2,626	----	-2,626	----
<b>Total Non-Current Liabilities (B)</b>	2,626	98,463	+95,837	+3649.54%
<b>Total Liabilities</b>	2,98,328	4,69,235	+1,70,907	+57.29%
<b>Shareholder's Funds</b>				
Share Capital	1,76,00,000	1,76,00,000	----	----
Reserves and Surplus	(13,25,728)	(1,11,07,128)	-97,81,400	-737.81%

Total Shareholder's Funds	1,62,74,272	64,92,872	-97,81,400	-60.10%
Total Liabilities and Capital	1,65,72,600	69,62,107	-96,10,493	-57.99%

**TABLE SHOWING COMPARATIVE BALANCE SHEET AS ON YEARS 2017 & 2018**

PARTICULARS	31-MAR-2017	31-MAR-2018	INCREASE (+) DECREASE (-)	PERCENTAGE
<b>Current Assets</b>				
Cash & Cash equivalents	8,88,480	6,77,87,307	+6,68,98,827	+7529.58%
Other current assets	1,92,761	8,47,559	+6,54,798	+339.69%
Trade receivables	12,85,210	19,15,120	+6,29,910	+49.01%
Short Term loans and advances	5,03,765	24,48,231	+19,44,466	+385.99%
<b>Total Current Asset (A)</b>	<b>28,70,216</b>	<b>7,29,98,217</b>	<b>+7,01,28,001</b>	<b>+2443.30%</b>
<b>Non-Current Assets</b>				
Tangible Assets	36,26,053	29,39,725	-6,86,328	-18.93%
Intangible Assets	1,58,704	9,05,680	+7,46,976	+470.67%
Capital Work in Progress	----	6,69,915	+6,69,915	----
Deferred Tax Asset	3,07,133	30,96,983	+27,89,850	+908.35%
<b>Total Non-Current Assets</b>	<b>4,091,890</b>	<b>76,12,303</b>	<b>+35,20,413</b>	<b>+86.03%</b>

<b>(B)</b>				
<b>Total Assets</b>	69,62,106	8,06,10,520	+7,36,48,414	+1057.85%
<b>Current Liabilities</b>				
Trade Payables	2,02,857	17,90,344	+15,87,487	+782.56%
Short Term Provisions	1,44	2,11,458	+2,11,314	+146745.83%
Other Current Liabilities	1,67,771	1,66,93,127	+1,65,25,356	+9849.95%
<b>Total Current Liabilities (A)</b>	3,70,772	1,86,94,929	+1,83,24,157	+4942.16%
<b>Non-Current Liabilities</b>				
Long Term Provisions	98,463	4,99,498	+4,01,035	+407.30%
Deferred Tax Liability	----	----		----
<b>Total Non-Current Liabilities (B)</b>	98,463	4,99,498	+4,01,035	+407.30%
<b>Total Liabilities</b>	4,69,235	1,91,94,427	+1,87,25,192	+3990.58%
<b>Shareholder's Funds</b>				
Share Capital	1,76,00,000	2,21,35,600	+45,35,600	+25.77%
Reserves and Surplus	(1,11,07,128)	3,92,80,494	+5,03,87,622	+453.65%
<b>Total Shareholder's Funds</b>	64,92,872	6,14,16,094	+5,49,23,222	+845.90%
<b>Total Liabilities and Capital</b>	69,62,107	8,06,10,521	+7,36,48,414	+1057.85%

**TABLE SHOWING COMPARATIVE BALANCE SHEET AS ON YEARS 2018 & 2019**

PARTICULARS	31-MAR-2018	31-MAR-2019	INCREASE (+) DECREASE (-)	PERCENTAGE
<b>Current Assets</b>				
Inventory	----	26,36,887	+26,36,887	----
Current Investment	----	1,12,85,211	+1,12,85,211	----
Cash & Cash equivalents	6,77,87,307	3,51,87,285	-3,26,00,022	-48.09%
Other current assets	8,47,559	73,88,300	+65,40,741	+771.72%
Trade receivables	19,15,120	65,14,938	+45,99,818	+240.18%
Short Term loans and advances	24,48,231	29,46,365	+4,98,134	+0.20%
<b>Total Current Asset (A)</b>	<b>7,29,98,217</b>	<b>6,59,58,986</b>	<b>-70,39,231</b>	<b>-9.64%</b>
<b>Non-Current Assets</b>				
Tangible Assets	29,39,725	1,13,68,877	+84,29,152	+286.73%
Intangible Assets	9,05,680	10,35,945	+1,30,265	+14.38%
Capital Work in Progress	6,69,915	2,23,58,230	+2,16,88,315	+3237.47%
Deferred Tax Asset	30,96,983	2,46,94,767	+2,15,97,784	+697.38%
<b>Total Non-Current Assets (B)</b>	<b>76,12,303</b>	<b>5,94,57,819</b>	<b>+5,18,45,516</b>	<b>+681.08%</b>
<b>Total Assets</b>	<b>8,06,10,520</b>	<b>12,54,16,805</b>	<b>+4,48,06,285</b>	<b>+55.58%</b>



<b>Current Liabilities</b>				
Trade Payables	17,90,344	11,42,344	-6,48,000	-36.19%
Short Term Provisions	2,11,458	6,54,426	+4,42,968	+209.48%
Other Current Liabilities	1,66,93,127	1,55,44,149	-11,48,978	-6.88%
<b>Total Current Liabilities (A)</b>	<b>1,86,94,929</b>	<b>1,73,40,919</b>	<b>-13,54,010</b>	<b>-7.24%</b>
<b>Non-Current Liabilities</b>				
Long Term Provisions	4,99,498	10,53,143	+5,53,645	+110.84%
Deferred Tax Liability	----	----		----
<b>Total Non-Current Liabilities (B)</b>	<b>4,99,498</b>	<b>10,53,143</b>	<b>+5,53,645</b>	<b>+110.84%</b>
<b>Total Liabilities</b>	<b>1,91,94,427</b>	<b>1,83,94,062</b>	<b>-8,00,365</b>	<b>-4.17%</b>
<b>Shareholder's Funds</b>				
Share Capital	2,21,35,600	2,57,02,600	+35,67,000	+16.11%
Reserves and Surplus	3,92,80,494	8,13,20,143	+4,20,39,649	+107.02%
<b>Total Shareholder's Funds</b>	<b>6,14,16,094</b>	<b>10,70,22,743</b>	<b>+4,56,06,649</b>	<b>+74.261%</b>
<b>Total Liabilities and Capital</b>	<b>8,06,10,521</b>	<b>12,54,16,805</b>	<b>+4,48,06,284</b>	<b>+55.58%</b>

**TABLE SHOWING COMPARATIVE BALANCE SHEET AS ON YEARS 2019 & 2020**

PARTICULARS	31-MAR-2019	31-MAR-2020	INCREASE (+) DECREASE (-)	PERCENTAGE
<b>Current Assets</b>				
Inventory	26,36,887	68,36,803	+41,99,916	+159.28%
Current Investment	1,12,85,211	92,453	-1,11,92,758	-99.18%
Cash & Cash equivalents	3,51,87,285	28,32,997	-3,23,54,288	-91.95%
Other current assets	73,88,300	1,03,04,747	+29,16,447	+39.47%
Trade receivables	65,14,938	3,18,49,601	+2,53,34,663	+388.87%
Short Term loans and advances	29,46,365	19,69,498	-9,76,867	-33.15%
<b>Total Current Asset (A)</b>	<b>6,59,58,986</b>	<b>5,38,86,099</b>	<b>-1,20,72,887</b>	<b>-18.30%</b>
<b>Non-Current Assets</b>				
Tangible Assets	1,13,68,877	1,30,82,624	+17,13,747	+15.07%
Intangible Assets	10,35,945	15,95,218	+5,59,273	+53.99%
Capital Work in Progress	2,23,58,230	1,19,83,263	-1,03,74,967	-46.40%
Deferred Tax Asset	2,46,94,767	2,71,42,378	+24,47,611	+9.91%
<b>Total Non-Current Assets (B)</b>	<b>5,94,57,819</b>	<b>5,38,03,483</b>	<b>-56,54,336</b>	<b>-9.51%</b>
<b>Total Assets</b>	<b>12,54,16,805</b>	<b>10,76,89,582</b>	<b>-1,77,27,223</b>	<b>-14.13%</b>
<b>Current Liabilities</b>				

Short Term Borrowings	----	79,55,182	+79,55,182	----
Trade Payables	11,42,344	14,40,605	+2,98,261	+26.11%
Short Term Provisions	6,54,426	2,69,700	-3,84,726	-58.79%
Other Current Liabilities	1,55,44,149	1,30,37,634	-25,06,515	-16.13%
<b>Total Current Liabilities (A)</b>	1,73,40,919	2,27,03,121	+53,62,202	+30.92%
<b>Non-Current Liabilities</b>				
Long Term Provisions	10,53,143	32,06,584	+21,53,441	+204.48%
Deferred Tax Liability	----	----	----	----
<b>Total Non-Current Liabilities (B)</b>	10,53,143	32,06,584	+21,53,441	+204.48%
<b>Total Liabilities</b>	1,83,94,062	2,59,09,705	+75,15,643	+40.86%
<b>Shareholder's Funds</b>				
Share Capital	2,57,02,600	2,57,02,600	----	----
Reserves and Surplus	8,13,20,143	5,60,77,275	-2,52,42,868	-31.04%
<b>Total Shareholder's Funds</b>	10,70,22,743	8,17,79,875	-2,52,42,868	-23.59%
<b>Total Liabilities and Capital</b>	12,54,16,805	10,76,89,580	-1,77,27,225	-14.13%

## **INTERPRETATION:**

Comparative balance sheet helps to summarise and compare the related data for a number of years, incorporating the changes in individual items of financial statements. Upward growth is indicated with positive sign and downward growth is indicated with negative sign. There has been gradual increase in the current and non-current assets for the period 31<sup>st</sup> March 2016 to 31<sup>st</sup> March 2020. There is an increase in the current liabilities when compared to the prior financial statement periods. There is a positive growth in the non-current liabilities. There is a minimal fluctuation in the shareholder's funds from the period 31<sup>st</sup> March 2016 to 31<sup>st</sup> March 2020.

## **FINDINGS:**

- The ideal current ratio is 2:1. The current ratio of Planys Technologies Pvt Ltd is decreasing from 51.001 to 2.373. The current ratio is highest in the year 2015-2016 ie 51.001 : 1 and lowest in the year 2019-2020 ie 2.373 : 1. This indicates the short-term liquidity of the company.
- The liquid ratio of Planys Technologies Pvt Ltd is decreasing from 49.569 to 2.058. The liquid ratio is highest in the year 2015-2016 ie 49.569 : 1 and lowest in the year 2019-2020 ie 2.058 : 1. Higher liquid ratio means the company has a better financial position in short term and indicates its ability to meet out its current liabilities.
- The net profit ratio of Planys Technologies Pvt Ltd is decreasing and giving negative returns. A low net profit ratio indicates decrease in profit as it is a start-up company and is in the growing stage of its lifecycle.
- The debtor's turnover ratio of Planys Technologies Pvt Ltd is highest in the year 2019-2020 ie 3.9 Times and it is lowest in the year 2015-2016. Higher debtor's turnover ratio indicates faster turnaround and reflects positively on the liquidity of the company.
- The fixed assets turnover ratio of Planys Technologies Pvt Ltd is progressively increasing from 0.16 Times to 2.806 Times. It is highest in the year 2019-2020 ie 2.806 Times and lowest in the year 2015-2016 ie 0.16 Times. Maximum ratio indicates that the company has generated greater revenue by investing more amount in fixed assets.
- The working capital turnover ratio of Planys Technologies Pvt Ltd is highest in the year 2019-2020 ie 2.399 Times and lowest in the year 2015-2016 ie 0.016 Times. A higher working capital turnover ratio indicates that the company is able to generate a large amount of revenue and is in a better financial position.
- The cash ratio of Planys Technologies Pvt Ltd is highest in the year 2015-16 ie 48.78: 1 and it is lowest in the year 2019-2020 ie 0.128 : 1. A high cash ratio implies that the company has a lot of cash available to pay maturing liabilities.
- The proprietary ratio of Planys Technologies Pvt Ltd is highest in the year 2015-16 ie 1.017 : 1 and lowest in the year 2019-2020 ie 0.773 : 1. The highest ratio

indicates that the company has a sufficient amount of equity to support the functions of the business.

- The return on shareholder's funds ratio of Planys Technologies Pvt Ltd is becoming negative. This shows that return on shareholder's funds is yielding negative returns and not generating adequate amount of profits.
- The Debt Equity ratio of Planys Technologies Pvt Ltd is highest in the year 2019-2020 ie 0.039 and lowest in the year 2017-2018 ie 0.008. A low Debt Equity ratio indicates a lower amount of financing by debt via lenders, versus funding through equity via shareholders.
- There is a gradual increase in the current and noncurrent assets from the period 31st March 2016 to 31st March 2020.
- There is a fluctuation in the current liabilities of Planys technologies Pvt ltd. It is increasing for the first two years and gradually decreasing for the next two financial years.
- There is an upward growth in non-current liabilities.
- There is a positive growth in the Shareholder's funds for the period 31st March 2016 to 31st March 2020.
- There is an upward trend in the current assets and non-current assets from the period 31st March 2016 to 31st March 2020. There is a declining trend for the non-current liabilities as it is paid off when the liability arises. There is a gradual upward trend in the shareholder's funds for the period 31st March 2016 to 31st March 2020.

#### **SUGGESTIONS:**

- The shareholders fund against the outsider's fund should be increased.
- Net fixed asset of the company has increased but it is not utilized to the maximum level. Hence the management should take initiative steps for the proper utilization of the resources.
- The company must take adequate steps to increase its financial strength and its solvency position.
- The investment of the company is very good and increasing year by year and hence the company must implement suitable strategies to maintain that financial position.
- The company should take suitable measures to increase its profitability position.
- Adequate steps have to be taken to improve its cash position since cash ratio is not good and it is fluctuating.
- The owner's contribution to the total assets can be increased.
- Operating expenses of the company is high. Hence the management should take appropriate steps to reduce the operating expenses.
- Equity position can be improved.
- The company should try to increase its asset holding thereby it can increase the profitability and liquidity position.

- The company should also take appropriate steps to reduce its current and non-current liabilities in the long run.
- The company can also try to increase its working capital efficiency as it will be helpful for future growth and development.
- The various operating and non-operating can be reduced in order to generate greater revenue for the company in the long run.
- Investments made by the company has to be properly channelized in the appropriate source of investment so that the profitability and solvency position of the company can be improved.

#### **CONCLUSION:**

After analysis of the financial performance of Planys Technologies Private Limited for the period of five years from 2015 to 2020, the study reveals that the overall financial performance of the company is improving gradually. The company should take appropriate steps to increase the operating efficiency so as to generate larger amount of revenue and growth. By cutting down operating costs and increasing the amount of revenue, the company can aim for expansion and development. The company should devise appropriate strategies to increase its liquidity, profitability and solvency position. However, it needs to minimize the operating expenses to get higher net profit. In order to carry on the business successfully the company should improve its liquidity and solvency position in the long run.

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