

## FINANCIAL STATEMENT ANALYSIS VISAKA

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### ABSTRACT

Financial management administration is that administrative action which the is worried about arranging and controlling of company's budgetary assets. Through it was a part of financial aspects till 1890, as independent action or order it is of late inception. Still it has no one of a kind body learning of its own, and draws vigorously on economies for it hypothetical ideas even today.

The subject of money related administration is of gigantic premium the two foundations and rehearsing administrators. It of incredible interests the two academicians the subject as yet creating and there are as yet certain zones where contentions exist for which no consistent arrangements have been coming to up 'til now. Rehearsing directors are keen regarding this matter on the grounds that among the most critical choices of the hypothesis of monetary administration give them applied and systematic understanding to settle on those choice skillfully.

### 1. INTRODUCTION

Financial management organization is that regulatory activity which the is stressed over orchestrating and controlling of organization's budgetary resources. Through it was a piece of monetary viewpoints till 1890, as autonomous activity or request it is generally commencement. Still it has nobody of a kind body learning of its own, and draws vivaciously on economies for it speculative thoughts even today.

The subject of cash related organization is of tremendous premium the two establishments and practicing heads. It of fantastic interests the two academicians the subject so far making and there are so far specific zones where conflicts exist for which no predictable courses of action have been coming to 'in the not too distant past. Practicing executives are sharp with respect to this issue in light of the fact that among the most basic decisions of the speculation of fiscal organization give them connected and efficient comprehension to settle on those decision skillfully.

### Objectives of the study

1. To calculate the important financial ratio of the organization as part of the Ratio Analysis there by to understand the changes and trends in the firm's financial position.

2. To access the performance of the HERITAGE FOODS PVT LTD. on the basis of earnings and also to evaluate the solvency position of the company.
3. To identify the financial strengths and weakness of the organization
4. To give appropriate suggestion to the investors.
5. To help them to make more informed decision.

### **Research problem**

Financial statement analysis plays a significant role in the long term survival of any organization. Especially its role has increased with the various schedules that have recently come up in capital investment. Hence, this has been taken as a purposeful/useful Research problem.

## **2. INDUSTRY PROFILE & COMPANY PROFILE**

### **CEMENT INDUSTRY IN INDIA**

India is the world's second biggest maker of concrete as indicated by the Cement Manufacturers' Association. Amid September 2010, the bond creation contacted 12.54 million tons (MT), while the concrete despatches amount was 12.56 MT amid the month. The aggregate bond creation amid April-September 2010-11 achieved 81.54 MT when contrasted with 77.22 MT over the relating time frame last financial. Further, concrete despatches additionally saw an upsurge from 76.50 MT amid April-September 2009-10 to 81.10 MT amid April-September 2010-11.

In addition, the administration's proceeded with pushed on framework will help the key building material to keep up a yearly development of 9-10 percent in 2010, as per India's biggest concrete organization, ACC. In January 2010, rating organization Fitch anticipated that the nation will include around 50 million ton bond limit in 2010, taking the aggregate to around 300 million ton.

Further, talking at the Green Cementech 2010, a course mutually composed by the Confederation of Indian Industry (CII) and the Cement Manufacturer's Association in Hyderabad in May 2010, G Jayaraman, Executive President, Birla Corporation Ltd, said that in 2009, 40 MT of limit was included and he anticipates that a comparative pattern will pursue this year.

**VISAKA INDUSTRIES LIMITED**

The Company was fused under the Indian Companies Act, 1956 on eighteenth June 1981 as Visaka Asbestos Cement Products Limited. Visaka Industries Limited was begun in 1985 with impact from ninth August 1990; the name of the Company was changed to Visaka Industries Limited.

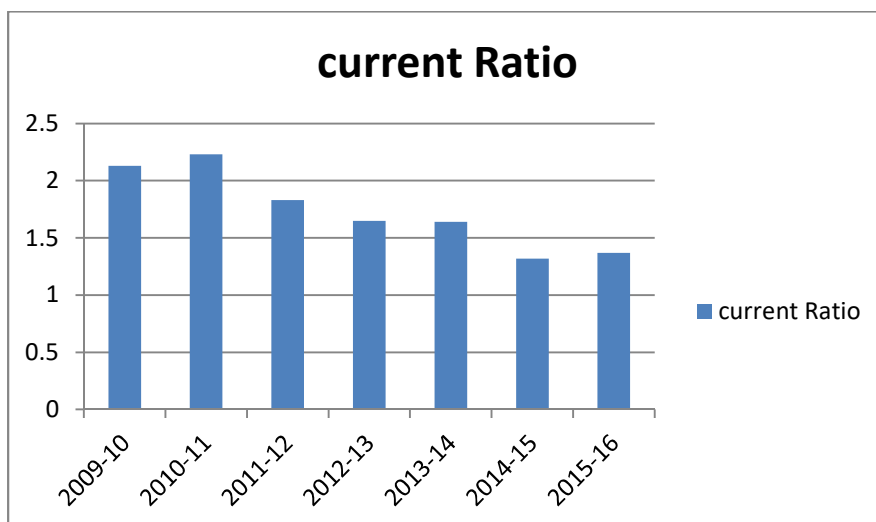
The Company is occupied with two organizations – building items (concrete asbestos items, and fiber bond level items like V-Boards and V-Panels) and materials. The value offers of Visaka Industries Limited are recorded on the Bombay and National Stock Exchanges. The advertisers hold a 37.65% stake in the Company's value share capital.

The organization expanded into material yarn producing in 1992. Visaka took the obscure Airjet turning innovation as a test and effectively settled the processing plant in Nagpur to create around 2000 tons of man-made fiber yarns per annum. With spotlight on development plan, the organization has now developed to the situation of second biggest concrete sheet producer in India. Visaka has introduced 7 manufacturing plants spread the nation over, creating around 650,000 tons of creased bond sheets every year.

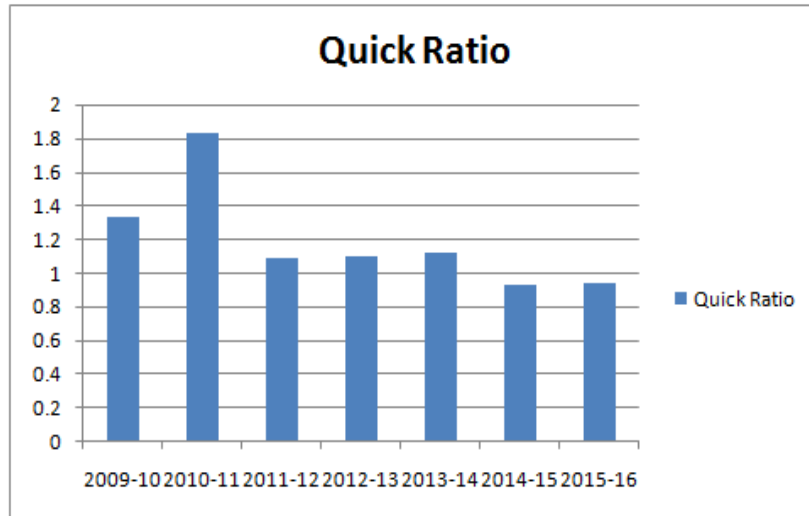
**MANAGEMENT Visaka Industries Ltd****DATA ANALYSIS AND INTERPRETATION**

**CURRENT RATIO**

Year	Current Assets	Current Liabilities	Current Ratio
2009-10	155792	73129	2.13
2010-11	16669	74427	2.23
2011-12	155652	84990	1.83
2012-13	192697	116644	1.65
2013-14	235062	143200	1.64
2014-15	276062	208869	1.32
2015-16	351150	254740	1.37

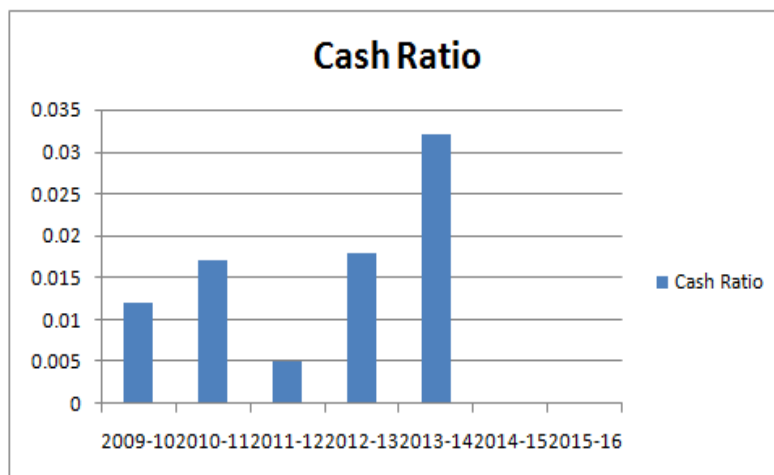
**QUICK RATIO**

Year	Current Assets	Current Liabilities	Quick Ratio
2009-10	97663	73129	1.33
2010-11	155652	74427	1.83
2011-12	92406	84990	1.09
2012-13	128963	116644	1.10
2013-14	160046	143200	1.12
2014-15	194586	208869	0.93
2015-16	239684	254740	0.94



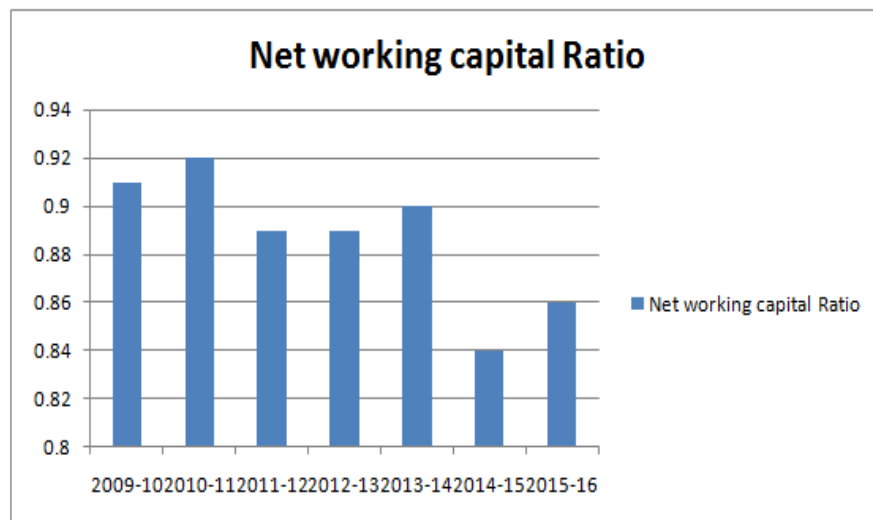
**CASH RATIO**

Year	Liquid Assets	Current Liabilities	Cash Ratio
2009-10	898	73129	0.012
2010-11	1281	74427	0.017
2011-12	473	84990	0.005
2012-13	2094	116644	0.018
2013-14	4643	143200	0.032
2014-15	12	208869	0.00005
2015-16	14	254740	0.00004



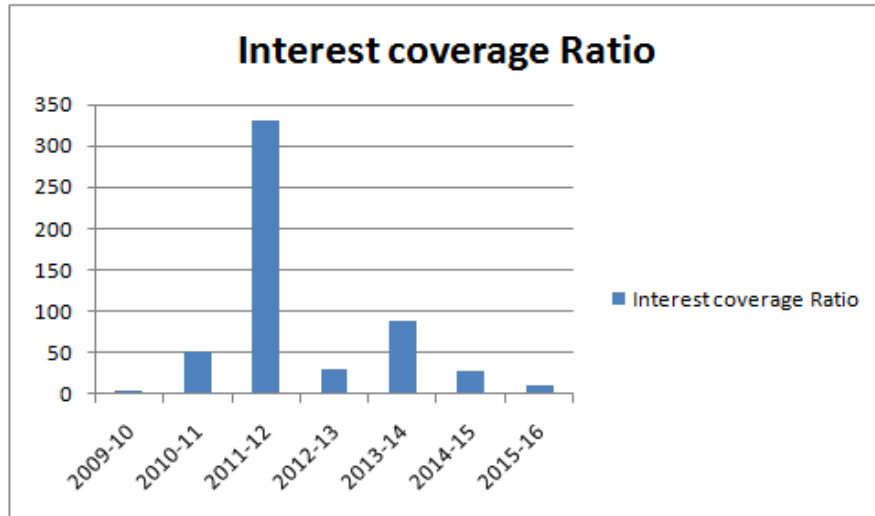
**NET WORKING CAPITAL RATIO**

Year	Net Working Capital	Capital Employed	Net working capital Ratio
2009-10	82663	90522	0.91
2010-11	92242	99337	0.92
2011-12	70662	79114	0.89
2012-13	76053	85026	0.89
2013-14	91862	102462	0.90
2014-15	67193	79459	0.84
2015-16	96410	111954	0.86



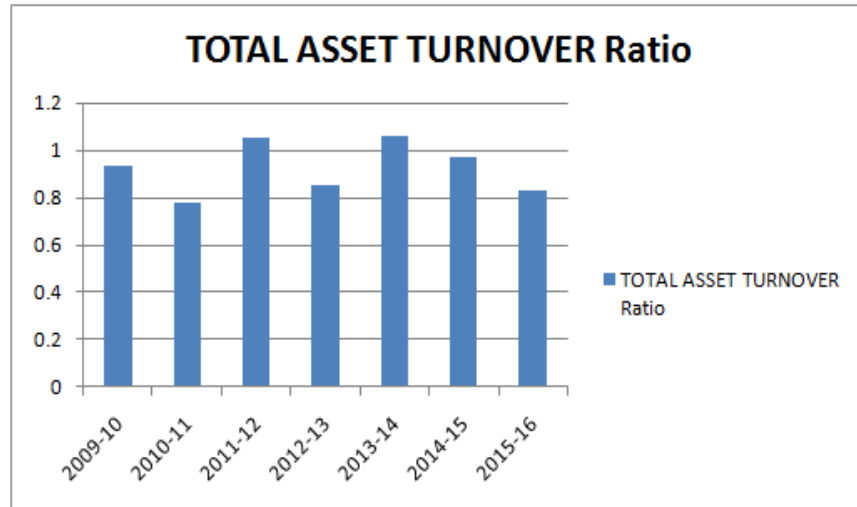
#### INTEREST COVERAGE RATIO

Year	PBIT	Interest	Interest coverage Ratio
2009-10	13500	3054	4.42
2010-11	13420	258	52.01
2011-12	15821	48	329.60
2012-13	33122	1105	29.97
2013-14	60867	682	89.25
2014-15	63290	2300	27.5
2015-16	68916	5870	11.74



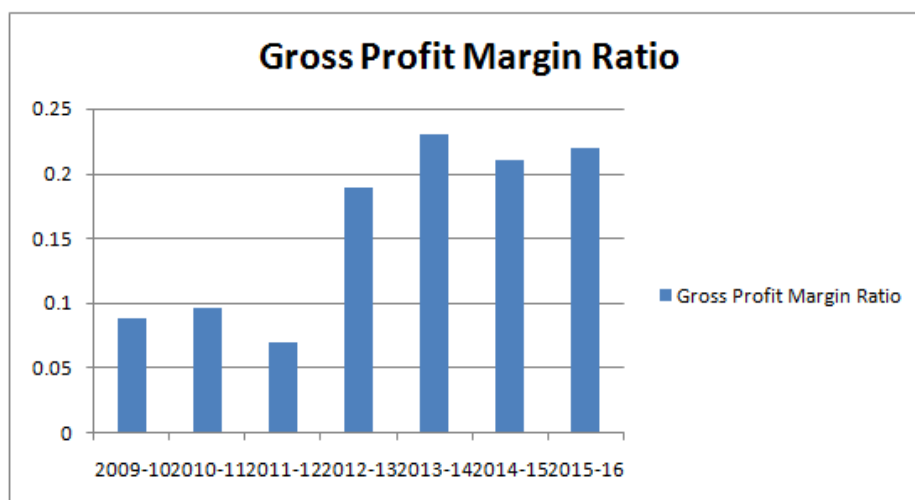
#### TOTAL ASSET TURNOVER RATIO

Year	Net Sales	Total Assets	Total Asset Turnover Ratio
2009-10	153205	163995	0.93
2010-11	157838	175557	0.78
2011-12	174490	166157	1.05
2012-13	174668	204179	0.85
2013-14	267217	251541	1.06
2014-15	289491	295891	0.97
2015-16	310235	372098	0.83



**GROSS PROFIT MARGIN RATIO**

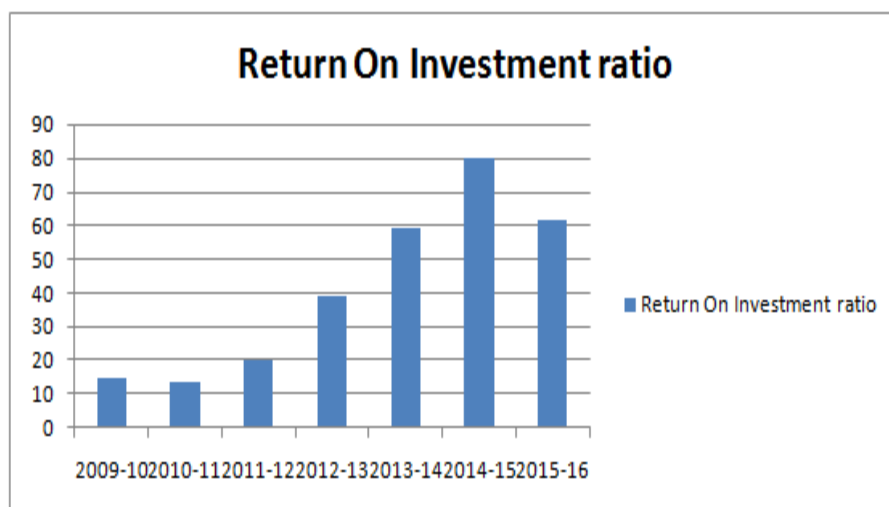
Year	Gross Profit	Net Sales	Gross Profit Margin Ratio
2009-10	13500	153205	0.088
2010-11	13420	157838	0.097
2011-12	15821	174490	0.070
2012-13	33122	174668	0.189
2013-14	60867	267217	0.23
2014-15	63290	289491	0.21
2015-16	68916	310235	0.22



**RETURN ON INVESTMENT**

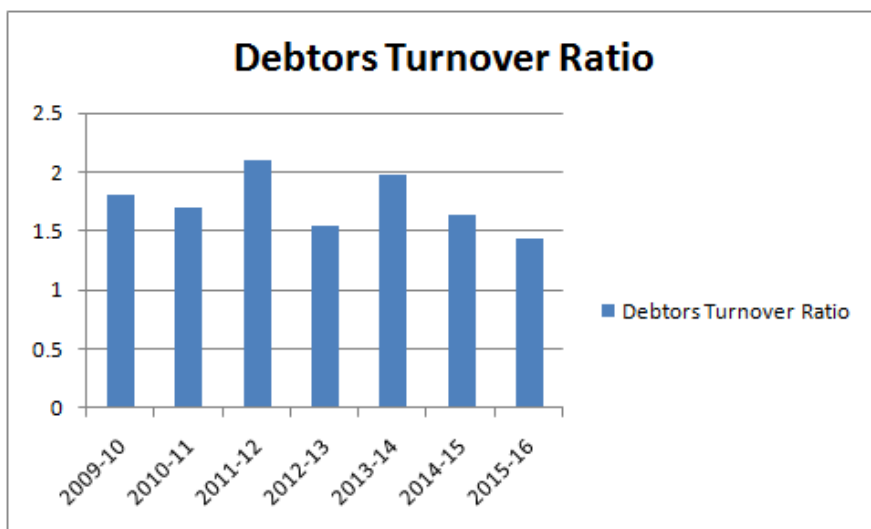


Year	PBIT & Tax	Capital Employed	Return On Investment Ratio
2009-10	13500	90522	14.91
2010-11	13420	99337	13.50
2011-12	15821	79114	19.99
2012-13	33122	85026	38.95
2013-14	60867	102462	59.40
2014-15	63290	79459	79.65
2015-16	68916	111954	61.55

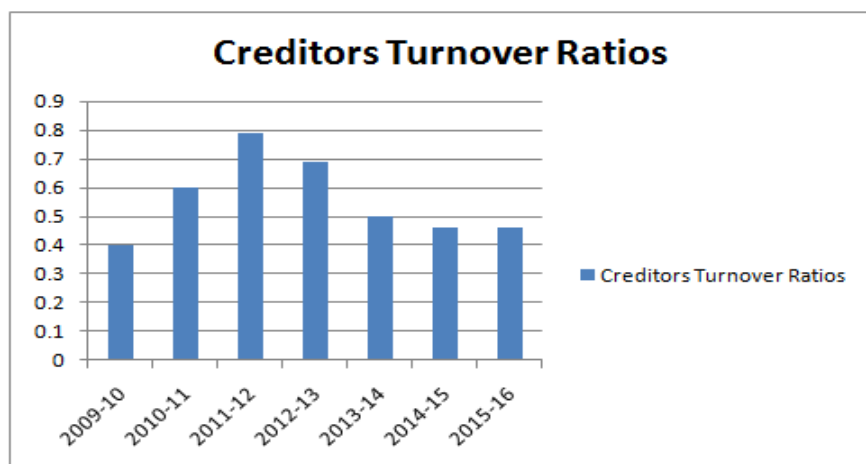


#### DEBTORS TURNOVER RATIO

Year	Net Credit Sales	Average Debtors	Debtors Turnover Ratio
2009-10	153205	85001	1.80
2010-11	137838	81237	1.69
2011-12	174490	82829	2.10
2012-13	174668	112238	1.55
2013-14	267217	135322	1.97
2014-15	289491	177301	1.63
2015-16	310235	215291	1.44

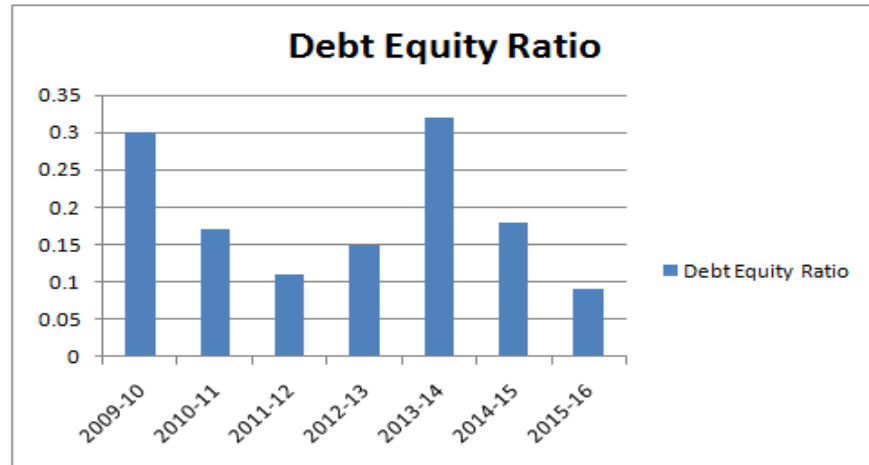


**CREDITORS TURNOVER RATIO**



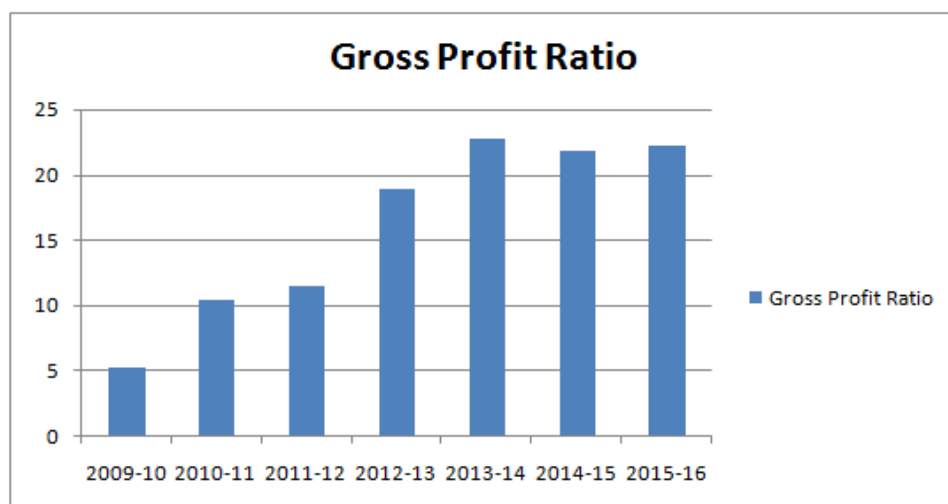
**DEBT EQUITY RATIO**

Year	Total Debt	Equity	Debt Equity Ratio
2009-10	979	3252	0.30
2010-11	573	3252	0.17
2011-12	386	3252	0.11
2012-13	513	3252	0.15
2013-14	1054	3252	0.32
2014-15	607	3252	0.18
2015-16	587	6504	0.09



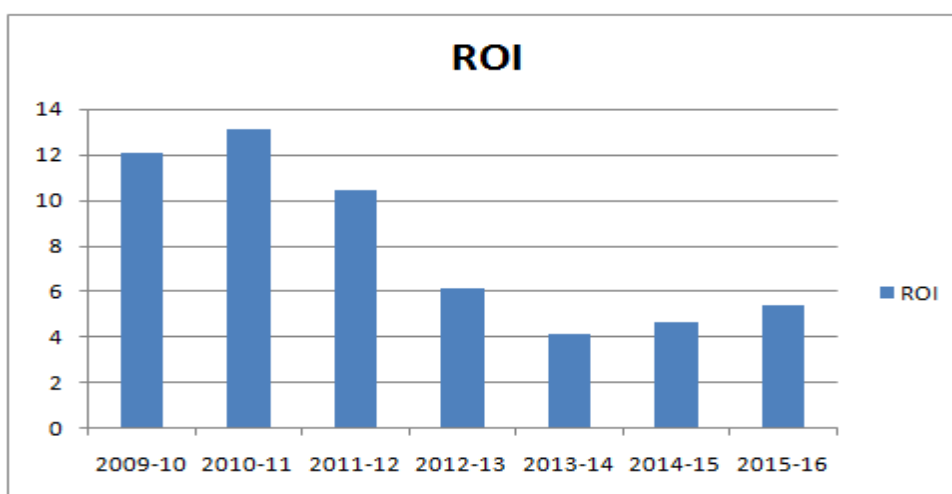
**GROSS PROFIT RATIO**

Year	Gross Profit	Sales	Gross Profit Ratio
2009-10	3379	63478	5.32
2010-11	7598	72866	10.43
2011-12	8572	74822	11.45
2012-13	33122	174668	18.96
2013-14	60867	267217	22.78
2014-15	63290	289491	21.86
2015-16	68916	310235	22.22



**RETURN ON INVESTMENT**

Year	Assets	Gross Profit	ROI
2009-10	163995	13500	12.15
2010-11	175557	13422	13.08
2011-12	166157	15821	10.50
2012-13	204179	33122	6.16
2013-14	251541	60867	4.13
2014-15	295891	63290	4.67
2015-16	372098	68916	5.39



## CONCLUSION

Compiling, analyzing, and understanding financial statements provides business owners one of the most important tools for reducing the considerable risk involved in starting and growing a business. The comparison of financial ratios to industry standards is, perhaps, one of the best uses of financial information, as it allows the business owner to compare the performance of his or her business with other like businesses.

In addition to providing information to owners critical for their own decision making, the accuracy of financial statements will impact the business' tax obligations what's more, chances to get value or potentially obligation financing. Cautious record keeping prompts exact budgetary explanations, in this way decreasing the business' taxation rate. Entrepreneurs have the chance to compare their financial ratios with industry standards before applying for loans, thereby giving them the opportunity to correct any problems that could lead to the rejection of their business loan application or equity offering

**BIBLIOGRAPHY**

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FINANCIAL MANAGEMENT	KHAN & JAIN
FINANCIAL MANAGEMENT	SHARMA & GUPTHA
SIX YEAR DIGEST OF HERITAGE FOODS PVT LTD	HERITAGE FOODS PVT LTD
WEBSITE	WWW.HERITAGEFOODS.IN