Chapter-III

Research methodology

Problem Identification

Indian is developing country and capital market is the Backbone of the economy of India. We have 41 stock exchanges. Out of 41, 2 exchanges BSE and NSE are famous. Majority of the Indian companies are listed on BSE and NSE. Both BSE and NSE prepared performance index which are popularly known as BSE-30-SENSEX and NSE-50 –NIFT. Listed companies with good financial performance are included in preparation of index of BSE and NSE. Good financial performance of the companies depends on growth of revenue and profit. Indian market is very competitive market where to increase revenue is challengeable. In such situation company cannot increase selling price because price increase above to market price leading to decline in sales. Therefore all companies are making efforts to reduce the cost of production. However it is very difficult for company to reduce cost also. Stiff competitive market creates lots of pressure on management to sustain financial performance. Moreover financial performance is directly linked with the wealth creation of stock holders. Thus, returns and wealth creation are directly linked with financial performance of listed companies. Looking importance of financial performance, Researcher has selected the topic of analysis of financial performance of listed companies in BSE-30 in India.
Title of the Problem

Titles of the problem are as follow:

“Analysis of Financial Performance of listed companies in BSE-30 in India”

Literature Review

Dr Anne Abraham, (July 2004), wrote an article on “A Model of Financial Performance Analysis Adapted for Non-profit Organizations "In this research he analyzed the financial performance of selected non-profit firms through different ratios. He also analyzed strength and weakness of the non-profit organizations

Debasish Sur and Kaushik Chakraborty (2006) have done research on “financial performance of Indian Pharmaceutical industry”. The study period was from 1993 to 2002. Sample size was six best companies. Comparative analysis was done and constructive suggestions were made to to improve financial performance.

Goswami Suvarun & Sarkar Aniruddha, (September 2011), worked on “Analysis of Financial Performance of Tata Steel – A Case Study”. He analyzed financial performance through liquidity and profitability ratios from 2000-01 to 2009-10 and he concluded that eight working capital ratios are positively associate with profitability ratios and remaining working capital ratios are negatively correlated. This study also mentioned that operating and financial leverage of the companies resulted in high risk.
Shurveer S. Bhanawat (2011) conducted research on “Impact of Financial Crisis on The Financial Performance of the Indian Automobile Industry” he concluded that a financial crisis has not impacted Indian automobile industries.

Shah Vishal G. (June 2012), published a paper on “An Empirical Study of Profitability Analysis in Pharmaceutical Industries of India”, sample size was seven companies with ten years data from 2002 to 2011. The researcher mentioned that only one company out of selected seven companies whose name is Glaxo Smith Kline has the outstanding financial performance.

Dr. Chetna Parmar, Ca Mitual Parmar, (September 2012), worked on “Testing the Financial Performance: BSE 30”, in this paper researcher explained the importance of fundamental analysis and market analysis to invest in market.

Zafar S. M. T. and Khalid S. M. (September 2012), held research on “A Comparative Evaluation of Fin. Perform. & Mkt. Value of Maruti and Tata Company”, in order to analysis financial performance researcher has used different financial ratios, statistical techniques like mean, standard deviation and covariance values.

Mr. Vishal. S. Rana, Dr. Murlidhar A. Lokhande, (February 2013), researched on “Performance Evaluation of Maruti Suzuki India Limited: An Overview”, a researcher has evaluated some variables like exports sales, production and sales net worth. Study period was eight years from 2005 to 2012. Study found that environmental performance of Maruti Suzuki India Limited. was very good. This
company has been less hazardous to the environment. Therefore, it becomes leading companies having good financial performance.

**Dr. Murlidhar A. Lokhande, Mr. Vishal. S. Rana, (March 2013),** have done research on “Performance Evaluation of Hyundai Motor India Limited: An Overview”, researcher concluded that Hyundai Motors India Limited’s growth depends on technological innovation, a superior design of the product, quality of the product and volume of the revenue. They have found that this company will be leading company in the automobile sector in future.

Research study made by **Ruchika Bammi, (June 2013),** on “An Empirical Analysis of Environmental and Financial Performance of BSE 100 Companies”, researcher compared environmental variable with the financial performance like PBDIT and ROCE, green house effect, gas emission data were used. Researcher also measured marketing performance through average market return.

**Sowmiya G., (January 2014),** publish a paper on “Performance Evaluation of Mutual Funds in India”. Study concluded that performance of Birla sun life equity fund was very good compare to other mutual fund scheme. Researcher also mentioned that beta and alpha of the selected scheme were more risky than return.

**Objectives of Study:**

Objective of the research study is as follow

1. To examine profitability ratio of the selected companies of BSE-30 in India.
2. To study liquidity of the selected companies of BSE-30 in India.
3. To analyze financial efficiency of the selected companies of BSE-30 in India.
4. To Analyze operating activities of the selected companies of BSE-30 in India.
5. To recommend the suggestions to improve the financial performance of BSE-30 Companies

**Hypothesis of the Study**

In line with the objectives, the following hypothesis were developed, tested and interpretation was done accordingly.

1. **H0:** There is no significant difference among the earning per share of selected BSE30 companies during the period of study.

   **Ha:** There is a significant difference among the earning per share of selected BSE30 companies during the period of study.

2. **H0:** There is no significant difference among the profit before depreciation, interest and tax ratio of selected BSE30 companies during the period of study.

   **Ha:** There is a significant difference among the profit before depreciation, interest and tax ratio of selected BSE30 companies during the period of study.
3. **H0:** There is no significant difference among the profit before interest and tax ratio of selected BSE30 companies during the period of study.

   **Ha:** There is a significant difference among the profit before interest and tax ratio of selected BSE30 companies during the period of study.

4. **H0:** There is no significant difference among the profit before tax ratio of selected BSE30 companies during the period of study.

   **Ha:** There is a significant difference among the profit before tax ratio of selected BSE30 companies during the period of study.

5. **H0:** There is no significant difference among the net-worth equity ratio of selected BSE30 companies during the period of study.

   **Ha:** There is a significant difference among the net-worth equity ratio of selected BSE30 companies during the period of study.

6. **H0:** There is no significant difference among the net profit ratio of selected BSE30 companies during the period of study.

   **Ha:** There is a significant difference among the net profit ratio of selected BSE30 companies during the period of study.

7. **H0:** There is no significant difference among the ROCE ratio of selected BSE30 companies during the period of study.
Ha: There is a significant difference among the ROCE ratio of selected BSE30 companies during the period of study.

8. H0: There is no significant difference among the dividends per share of selected BSE30 companies during the period of study.

Ha: There is a significant difference among the dividends per share of selected BSE30 companies during the period of study.

9. H0: There is no significant difference among the current ratio of selected BSE30 companies during the period of study.

Ha: There is a significant difference among the current ratio of selected BSE30 companies during the period of study.

10. H0: There is no significant difference among the Quick ratio of selected BSE30 companies during the period of study.

Ha: There is a significant difference among the Quick ratio of selected BSE30 companies during the period of study.

11. H0: There is no significant difference among the dividend payout ratio (NP) of selected BSE30 companies during the period of study.

Ha: There is a significant difference among the dividend payout ratio (NP) of selected BSE30 companies during the period of study.
12. **H0:** There is no significant difference among the dividend payout ratio (GP) of selected BSE30 companies during the period of study.

**Ha:** There is a significant difference among the dividend payout ratio (GP) of selected BSE30 companies during the period of study.

13. **H0:** There is no significant difference among the earning retention ratio of selected BSE30 companies during the period of study.

**Ha:** There is a significant difference among the earning retention ratio of selected BSE30 companies during the period of study.

14. **H0:** There is no significant difference among the gearing ratio of selected BSE30 companies during the period of study.

**Ha:** There is a significant difference among the gearing ratio of selected BSE30 companies during the period of study.

15. **H0:** There is no significant difference among the net worth to total debt ratio of selected BSE30 companies during the period of study.

**Ha:** There is a significant difference among the net worth to total debt ratio of selected BSE30 companies during the period of study.

16. **H0:** There is no significant difference among the debt-equity ratio of selected BSE30 companies during the period of study.
**Ha:** There is a significant difference among the debt-equity ratio of selected BSE30 companies during the period of study.

17. **H0:** There is no significant difference among the price earnings ratio of selected BSE30 companies during the period of study.

**Ha:** There is a significant difference among the price earnings ratio of selected BSE30 companies during the period of study.

18. **H0:** There is no significant difference among the interest coverage ratio of selected BSE30 companies during the period of study.

**Ha:** There is a significant difference among the interest coverage ratio of selected BSE30 companies during the period of study.

19. **H0:** There is no significant difference among the Inventory turnover ratio of selected BSE30 companies during the period of study.

**Ha:** There is a significant difference among the Inventory turnover ratio of selected BSE30 companies during the period of study.

20. **H0:** There is no significant difference among the return on assets ratio of selected BSE30 companies during the period of study.

**Ha:** There is a significant difference among the return on assets ratio of selected BSE30 companies during the period of study.
21. **H₀**: There is no significant difference among the assets turnover ratio of selected BSE30 companies during the period of study.

**Ha**: There is a significant difference among the assets turnover ratio of selected BSE30 companies during the period of study.

22. **H₀**: There is no significant difference among the sales to total assets ratios of selected BSE30 companies during the period of study.

**Ha**: There is a significant difference among the sales to total assets ratios of selected BSE30 companies during the period of study.

23. **H₀**: There is no significant difference among the sales to current assets ratios of selected BSE30 companies during the period of study.

**Ha**: There is a significant difference among the sales to current assets ratios of selected BSE30 companies during the period of study.

24. **H₀**: There is no significant difference among the Average collection period of selected BSE30 companies during the period of study.

**Ha**: There is a significant difference among the Average collection period of selected BSE30 companies during the period of study.

25. **H₀**: There is no significant difference among the debtors to total sales ratio of selected BSE30 companies during the period of study.
Ha: There is a significant difference among the debtors to total sales ratio of selected BSE30 companies during the period of study.

26. H0: There is no significant difference among the sales to share holders fund ratio of selected BSE30 companies during the period of study.

Ha: There is a significant difference among the sales to share holders fund ratio of selected BSE30 companies during the period of study.

27. H0: There is no significant difference among the sales to total debt ratio of selected BSE30 companies during the period of study.

Ha: There is a significant difference among the sales to total debt ratio of selected BSE30 companies during the period of study.

Types of research
Analytical research has been used.

Universe of the Study
The universe of the study consisted of all limited companies registered in Bombay Stock exchange

Sample size
Researcher has conveniently selected BSE-30 companies as a sample. The names of the companies are as under.
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Companies of BSE-30</th>
<th>Sector</th>
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<tr>
<td>01</td>
<td>ACC Limited</td>
<td>Cement</td>
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<tr>
<td>02</td>
<td>Bharat Heavy Electricals Limited</td>
<td>Electrical equipments</td>
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<td>Bharti Airtel Limited</td>
<td>Telecommunications</td>
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<td>Cipla Limited</td>
<td>Pharmaceuticals</td>
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<td>DLF Limited</td>
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<td>Banking</td>
<td>500180</td>
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<td>Hero Motocorp Limited</td>
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<td>Hindalco Industries Ltd</td>
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<tr>
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</table>

**Period of the study**

The selected top 30 companies of various sector of Bombay stock exchange were scattered in all around the world, but researcher has selected 30 companies of BSE constituent which are working in India. All selected companies are listed on BSE. The research period is of the five years from 2013 to 2017.

**Data Collection and Data Analysis**

The study is based on secondary data which are derived from the published annual reports of companies collected from the registered office of stock exchange. In addition to published reports, other publications by BSE also used. The information related to the listed company derived from various sources like articles, journals, periodicals, newspapers etc.

The collected data duly edited, classified and analyzed using all type of relevant statistical techniques and employing the most appropriate parametric and non-
parametric test. The data presented through simple classification and with help of percentage, average, dispersion, correlation and association.

**Research Tools**

Researcher has used accounting ratios as analytical tools. Researcher has also used statistical technique, like mean, standard deviation, deviation, variance and ANOVA test.

**Ratio description**

The ratio is classified in four categories as per modern classification. Categories are profitability, liquidity, financial structure and operating activities. Under these categories the various ratios are there and its’ description are as under.

**Earnings per Share**

Earning per share is the measure of profitability. it is said that higher the EPS, higher is the profitability. Earning per share is nothing but residual income distributed to share holders. it is also the part of profit, higher the profit grater will be the EPS. Negative net profit has negative EPS. EPS and PAT have direct relationship which represents financial efficiency of the company. Earnings per share calculated through dividing the net earnings of the company with its total shares. Earnings per share define that is of very importance to stack holders, investors and intermediates and public who trade in the security market. The higher the earnings per share of a company, the better is its profitability. While calculating the EPS considered to be a more expanded version of the basic earnings per share ratio. EPS calculate with the
help of following formula:

EPS: Net Income (PAT) /Total Shares.

EPS= Earning after interest and tax/ Number of share

**Profit before depreciation interest and tax:**

Earnings before depreciation, interest and taxes is an accounting measure calculated using a company's net earnings, before depreciation, expense of interest and taxes are subtracted, as a proxy for a company's current operating profitability.

PBDIT ratio = Profit before depre., int. & tax / total sales*100

**Profit before interest and tax**

Earnings before interest and taxes is an accounting measure calculated using a company's net earnings, before expense of interest and taxes are subtracted, as a proxy for a company's current operating profitability.

Profit before interest and tax ratio= Profit before interest and tax /Sales*100

**Profit before tax**

Earnings before taxes is an accounting measure calculated using a company's net earnings, before taxes is subtracted, as a proxy for a company's current operating profitability.

Profit before tax ratio= Profit before tax /Sales*100
**Net worth equity ratio:**

This ratio is only another form of proprietary ratio and establishes relationship between the total net worth and owners fund. It shows the proportion of external equities and internal equities. i.e. proportion of funds provided by creditors and that provided by share holders or proprietors. If, the proportion of 1:1 than it is treated as satisfactory.

Net worth-equity ratio = Net worth/share holders fund*100

**Net profit Ratio:**

The ratio is valuable for the purpose of ascertaining the overall profitability of business and shows the efficiency or otherwise of operating the business it is the reserve of the operating ratio. It is calculated as follows:

Net profit ratio = net profit/Sales*100

**Return on capital employed:**

It is an index of profitability of business and is obtained by comparing net profit with capital employed. The ratio is normally express in the percentage. The term capital employed included share capital reserve and long term loan, such as debenture.

Return on capital employed = Net profit/capital employed*100

**Dividend per share (DPS)**

Dividend per share means profit distributed among share holders as dividend. company has two types of dividend policy. (i) constant dividend payout ratio (ii) Constant dividend per share. Higher dividend payout ratio is good. because it has
positive impact on stock price. Some companies do not declare dividend but they prefer to plough back the profit which would not be preferred by the shareholders, who want current income. Dividend payout ratio is the parameter for financial soundness of the company. Dividend per share calculated by dividing the firm’s net earnings with its total shares. DPS define that is of initiative to stockholders and ordinary people who trade in the security market. The higher the dividend per share of a firm, the good is its financial earning capacity. Calculation of the DPS considered being a more expanded version of the part of basic dividend per share ratio. DPS = Dividend / Number of share

**Current ratio:**

Current ratio is the measure of liquidity. The ideal current ratio is 2:1. Current ratio is calculated on the basis of current assets and current liabilities. Higher amount of current assets over current liability strengthens current ratio, but higher amount of current liabilities over current assets weakens thus, management of working capital focuses on current ratio. Higher current ratio means firm is able to meet its current liabilities when it’s get matured. Remember that a liability which will mature within a period of twelve months is a current liabilities it include creditors, bills payable, bank overdraft, outstanding expenses, provision for taxation etc., similarly current assets are in the form of cash or can be readily converted into cash within a short time. It include cash, bank balance, stock, debtors, bills receivable, prepaid expenses, accrued income, Ruddily makeable securities etc.

Current ratio = current assets / current liabilities.
Quick ratio
The measure of absolute liquidity may be obtain by comparing only cash and bank balance as well as readily marketable securities with liquid liabilities. This is very existing stander of liquidity and it satisfactory, if the ratio is 0.5:1. It is computed by dividing the value of quick assets by liquid liabilities. Here, quick assets do not included stock and debtors because payments from debtors would not generally be received immediately when liquid liabilities are to be paid. Thus, the quick assets comprise only cash balance bank balance and readily marketable securities only. Some writers call this ratio as absolute liquidity ratio.
Quick ratio= quick assets/liquid liabilities

Dividend payout ratio (NP)
Dividend payout ratio Net profit indicates that dividend paid out of profit to the shareholders. DPR has the inverse relationship with retention ratio. Higher dividend payout ratio has positive impact of the stock price of the firm. DPR is also co related with earning per share. Growth firm does not declare dividend but retain the earnings. It is explained by J. E. Walter that ROI is less than cost of capital, 100 percent DPR is desirable. Conversely ROI is greater than cost of capital zero percent DPR is desirable. Investors analyse last five years tread of dividend payout ratio. Investor invests money, If they find progressive trend in DPR in last five years

Dividend payout ratio (GP)
Dividend payout ratio Gross profit indicates that dividend paid out of profit to the shareholders. DPR has the inverse relationship with retention ratio. Higher dividend
payout ratio has positive impact of the stock price of the firm. DPR is also co related with earning per share. Growth firm does not declare dividend but retain the earnings. It is explained by J. E. Walter that ROI is less than cost of capital, 100 percent DPR is desirable. Conversely ROI is greater than cost of capital zero percent DPR is desirable. Investors analyse last five years tread of dividend payout ratio. Investor invests money, If they find progressive trend in DPR in last five years

**Earning retention ratio**

Earning retention ratio refers to the percentage of net income that is retained to grow the corporate sector, rather than being paid out as dividends. This ratio is the opposite of the payout ratio, which measures the percentage of earnings paid out to shareholders as dividends.

**Gearing ratio**

This ratio expresses the proportion of preference capital plus debentures and ordinary capital. In other words it is a ratio of fixed dividend, bearing capital to ordinary capital. Sometimes even debentures are included along with preference capital the higher this ratio i.e. the grater the proportion of preference capital and debentures to ordinary capital, the capital structure of the company is said to be highly geared. In such cases ordinary shares of the company will be speculative because due to a small increase in profit. The rate of return of ordinary capital will increase sub stains ally. Gearing ratio= fixed interest bearing capital / ordinary capital
Net worth to total debt ratio

This ratio is only another form of proprietary ratio and establishes relationship between the total net worth and total debt. It shows the proportion of equities, reserve and total debt includes long term, debenture etc. i.e. Proportion of funds provided by creditors and that provided by share holders or proprietors. Net worth to total debt ratio = \( \frac{\text{Net worth}}{\text{total debt}} \times 100 \)

Debt-equity ratio:

This ratio is only another form of proprietary ratio and establishes relationship between the outside liabilities and owners fund. It shows the proportion of external equities and internal equities. i.e. proportion of funds provided by creditors and that provided by share holders or proprietors. If, the proportion of 1:1 than it is treated as satisfactory.

Debt-equity ratio = \( \frac{\text{outside liabilities}}{\text{share holders fund}} \times 100 \)

Price earnings ratio

This is the most popular ratio discussed in the stock market, when attaching value to the firm's stock. PE ratio shows how much the investor is willing to pay per rupee of recorded profit, because it measures investor's, confidence in a firm. it is useful in values placed on a company's share in relation to the overall market.

Formally there are certain sectors like diamond, fertilizer or sectors that are very cyclical and command a low price earnings ratio. There are certain sectors like Pharmaceuticals, information technology that normally have a higher price earning.

So the this ratio of a company should its peers having equal corporate activity and of
equal proportion with its previous noted price earning to evaluate whether a stock is less valued or more valued.

Price earnings ratio = Stock Price/Earnings per share

**Interest coverage ratio**

This ratio is used to determine how easily a company can pay their expenses of interest on outstanding debt. This ratio is calculated through dividing a company's operating income by the company's interest expenses for the particular period. This ratio is measures a company’s ability to make interest payments on its outstanding debt in a timely manner.

The creditors and investors use this distribution to understand the profitability and proportion of risk of the companies. A majority part of this appreciation is based on profits and operational efficiencies. However, investors want to see that their company can pay its bills on time without having to sacrifice its operation and profits.

**Inventory turnover ratio**

Inventory turnover ratio shows that how many times inventory is turned over during the year. Higher inventory turnover ratio implied that the firm is efficient to manage the inventory. It means that unnecessary amount is not blocked in the inventory.

In order to manage working capital, firm should control inventory turnover ratio. This ratio is calculated by to components cost of goods sold and average inventory. But practically many companies calculate this ratio with the help of credit sales or sales
and closing inventory. To increase inventory turnover ratio, firm should expedite it sales.

Inventory/stock turnover = total sales -stock-materials/ Inventory in other,

ITR = COGS / Ave. Inventory   COGS=Cost of goods sold

**Return on Assets**

Return on Assets includes the profit abilities of business and is very much in use among financial activities analysis. However these are deferent meaning of the term investment in assets of accordingly this ratio. Return on total assets, is a profitability ratio that indicate the net income produced by total assets during a particular period by comparing net income to the average total assets. The ratio measure to how profitable a company's total assets are. Only objective is to generate revenues and produce profits, this ratio helps both side of management and investors see how well the company can convert its investments in assets into more profits. Researcher look at ROA as a return on investment for the company since capital assets are often the biggest investment for majority of the companies.

**Assets turnover ratio**

Normally, sales must justify the quantum of fixed assets employed in an enterprise. the speed or an enterprise in efficient utilization of assets is gauged by the assets turnover ratio.

The turnover of assets denotes their contribution to sales. It is therefore, an important ingredient of overall profitability. Net sales are divided by net assets to get assets turnover ratio. Assets turnover Ratio = Net Sales / assets
**Sales to total assets ratio**

To ascertain efficiency and profitability of business, the total assets are comparing to sales. The more the sales in relation to the amount invested in fixed assets, the more efficient to use of total assets. It indicates higher efficiency. If the sales are less as compare to investment in total assets it means that total assets are not adequately utilized in business. Of course excessive sale is an indication of over trading and it’s dangerous.

Sales to total asset ratio = sales/ total assets

**Sales to current assets ratio**

To ascertain efficiency and profitability of business, the current assets are comparing to sales. The more the sales in relation to the amount invested in fixed assets, the more efficient to use of current assets. It indicates higher efficiency. If the sales are less as compare to investment in total assets it means that current assets are not adequately utilized in business. Of course excessive sale is an indication of over trading and it’s dangerous.

Sales to current asset ratio = sales/ current assets

**Average collection period**

The ratio shows the number of days taken to collect the dues of credit sales. It shows efficiency or otherwise of the collection policy of the enterprise. The ratio is computed by dividing the amount of debtors and bills receivable by the average daily sales. The average daily sales is obtained by dividing the total annual sales by 365

Average collection period = debtors=bills receivables/average daily sales.
**Debtors to total sales ratio**

To ascertain efficiency and finance of business, the total debtors and receivable are compared to sales. The more the sales in relation to the amount invested in debtors and receivable, the more efficient to use of debtors and receivable, it indicates higher efficiency. If the sales are less as compare to investment in debtors and receivable it means that debtors and receivable are not adequately utilized in business. Of course excessive sale is an indication of over trading and its dangerous.

**Sales to Share holders fund ratio:**

To ascertain efficiency and finance of business, the total share holders fund are compared to sales. The more the sales in relation to the amount generated through share holders’ fund, the more efficient to use of share holders fund. It indicates higher efficiency. If the sales are less as compare to generation in share holders fund it means that share holders fund are not adequately utilized in business. Of course excessive sale is an indication of over trading and its dangerous.

Sales to share holders fund ratio= sales/ share holders fund

**Sales to total debt ratio:**

To ascertain efficiency and finance of business, the total debts are included long term debt, bank loan, and other liabilities are comparing to sales. The more the sales in relation to the amount created through total debts, the more efficient to use of total debts. It indicates higher efficiency. If the sales are less as compare to utilization in total debts it means that total debts are not adequately utilized in business. Of course excessive sale is an indication of over trading and it’s dangerous. Sales to total debt ratio= sales/ total debt
Post Hoc Test

Researcher used Post Hoc test techniques for key ratios of out of them. Thie term examine the result of collected data on experimental way. this technique on the basis of probability of at least one type error one in set of comparison with other selected companies. This statistical methods examine with many methods and techniques. researcher used Bono. procedure, which is the multiple comparison post-hoc correction is used while analyzed many independent or dependent statistical test at same period. probability of significant results increase with each test run. thisd post hoc test sets the significant cut off at a/n.

Outline of Chapter Plan

There are eight chapters of the whole research work which are as:

Chapter – I-Introduction & Profile of BSE-30 Companies

This chapter deals with the Introduction and history of listed companies of BSE-30 and corporate status and sector classification are mentioned.

Chapter – II- Conceptual Framework of Financial Performance Analysis

This chapter deals with the Financial Performance concepts, areas of Financial Performance Analysis and significance of Financial Performance Analysis. In this chapter Types of Financial Performance Analysis is also mentioned and techniques for Financial Performance Analysis (Accounting Techniques, Statistical Techniques) are presented with References.
Chapter – III-Research Methodology

This chapter includes Problem Identification, Rational of the Study, Title of the Study, Review of the past literatures, Main objectives, Hypothesis, Collection of data, analysis and interpretation, Tools and Techniques, period of the study, Limitations of the Study, and future scope of the study.

Chapter – IV- Profitability Analysis

This chapter deals with Concept of profit, analysis of profitability through ratios of BSE-30 companies with Anova test application.

Chapter – V- Liquidity Analysis

This chapter deals with Introduction to liquidity, Concept of Liquidity, Analysis of Liquidity of BSE-30 companies in context of Management, Analysis of Liquidity of BSE-30 companies in context of Shareholders with help of difference ratios.

Chapter – VI Financial Structure Analysis

This chapter deals with Introduction to financial efficiency, Concept of Financial efficiency, Analysis of Financial efficiency of BSE-30 companies, and Analysis of Financial efficiency of BSE-30 companies in context of Shareholders with help of difference ratios.

Chapter – VII-Operating Activity Analysis

This chapter includes Introduction, Analysis of Operating Activities of BSE-30 companies in context of Growth of Activities and analysis in Terms of Total Resources – Conduct of Activities and data have been tested with help of ANOVA-test.

Chapter – VIII -Findings and Suggestions
This chapter includes Summary of all seven chapters, Findings based on the Analysis, Suggestions for enhancing profitability, for financial soundness, for cost reduction and control and liquidity position.

**Limitations of the Study**

1. This study is based on secondary data taken from published annual reports of selected companies.
2. There are different approaches to measure the ratio of financial performance in this regard expert views differ from one –other.
3. The difference views have been applied in the calculation of difference ratios.
4. The present study is largely based on ratio analysis. It has its own limitation.
5. The selected sample companies are limited numbers and so the outcome.

**Future Research**

This topic is very interesting topic for measuring the financial performance of corporate houses. A researcher can do research on other area related to the selected topic such as

- Corporate Environmental and Financial Performances and the Effects on Indian economy of BSE-30 companies
- Financial performance and productivity analysis of selected BSE 30 companies
- Analysis of Dividend policy of the BSE 30 companies
- Operational Practices and Financial Performance: an Empirical Analysis of BSE-30 Companies
Relationship between environmental performance and financial performance: an empirical analysis of BSE-30 companies

Analysis of financial performance of the BSE-30 companies through DuPont model.

Analysis of impact of financial performance on stock price of BSE-30 companies.

Analysis of effect of financial performance on EVA and MVA of BSE-30 companies.

Analysis of financial performance and dividend policy of BSE-30 companies.

Analysis of corporate disclosure and financial performance of BSE-30 companies.

Analysis of corporate governance and financial performance of BSE-30 companies.

Analysis of impact of corporate social responsibility of BSE-30 companies.
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