



A STUDY ON FINANCIAL PERFORMANCE OF ASIAN PAINTS LTD

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ABSTRACT

Financial statements are mainly prepared for discussion making. The balance sheet indicates financial performance of the company. Profit and loss account is a statement, which is prepared in a particular year. The study has been undertaken to analyse the financial performance of Asian Paints Limited. It is to understand the capability or profitability, solvency and the financial strength by evaluating financial statement. The financial performance of Asian Paints Limited deals with the secondary data. The financial performance analysis of the company is done for past five years (2015-2020). The suggestion for Asian Paints Limited is that they can retain their profitability position by creating economical employment of their offered resources. Thus the study conclude that the financial position of the Asian Paints Limited has shown better position during the period of study.

KEYWORDS: *Financial performance, Asian Paints Ltd, Analysis.*

1. INTRODUCTION

Finance is described because the prevision of cash because the time when it's miles required. Every Enterprise whether or not big, medium of small, desires finance to hold on its operations and to reap its targets. Finance is so necessary these days that it's miles rightly stated to be the existence hood of an agency. Without good enough finance, no agency can in all likelihood accomplish its objectives. The word "BUSINESS" actually way an 'a kingdom of being busy'. It consists of industry, alternate and commerce.

"FINANCE" refers back to the control of the flows of cash via an organization. It worries with the utility of abilities withinside the manipulation, use and manage of cash. Financial statements are organized specially for dialogue making. The statements aren't led to them however are beneficial in choice making. The stability sheet can also additionally describe as monetary move phase taken at sure periods and the approaching statements as a condensed records of the increase and postpone among crossing section.

2. STATEMENT OF THE PROBLEM

Finance is that the life blood of the business. The business wants monetary supports to hold out its operations they have to procure funds and create optimum utilization of those funds. Each endeavour needs finance. Finance is required to ascertain a business, to run it to modernize it, to expand or diversify it. A firm will obtain growth and development solely by playing in an exceedingly higher approach altogether the fields. If the performance isn't up to the satisfactory level, correct preventative measures have to be compelled to be adopted within the sick or economical areas. The study has been undertaken to analyse the financial performance of Asian Paints. Financial performance of each organization is created to make sure sleek operating and increase profit and wealth. Each mercantilism tries to sustain itself and grow in an exceedingly extremely competitive environment.

3. OBJECTIVE OF THE STUDY

- To understand the earning capability or profitability, financial condition and also the



money strength by evaluating financial statement.

- To search out the financial performance and to analyse the financial changes over a period of five years.

- To look at the analysis of the expansion of the Asian Paints Limited.

4. RESEARCH METHODOLOGY

Source of Data	Secondary data
Period of Study	2015-2016 to 2019 – 2020
Framework of analysis	Financial Statements
Tools and Techniques	Ratio analysis

5. STATISTICAL TOOLS

In the study of profitability analysis is based upon the following tools

- Liquidity ratio
- Profitability ratio
- Activity ratio

6. REVIEW OF LITERATURE

Dr. Murugesan, D, Dr. A. Krishnan (2019) The study reveals that the financial position of the Asian Paints Limited is good as it remained above the standard norms throughout the period of study

Ms. C. Shiva Priya, Dr. U. Padmavathi (2019) In this study, they persistent the concepts of how the comutation of ratio analysis useful in analysing the true financial performance of the company. The simplest way of finding the position of current assets and liabilities of the company can be done through current ratio and quick ratio.

Timothy Lwiki from financial performance tables and figures, there are varied growth pattern foe every firm. This implies that whereas the sugar apply the same inventory management practices as determinants of their performance levels, the implementation of the practices respond to different specifically unique environments of each firm.

7. TABLE

Table Showing the Quick Ratio

Year	Current Asset	Inventories	Current Liabilities	Quick Ratio
2020	7,580.11	3,389.81	4,380.38	0.95
2019	7,626.95	3,149.86	5,180.10	0.86
2018	6,914.08	2,658.31	4,451.07	0.95
2017	6,965.68	2,626.94	3,884.87	1.11
2016	5,735.02	1,1998.21	3,149.08	1.18

Quick ratio of the company was highest 1.18 in the year (2016-2017) and lowest 0.86 in the year (2019-2020).

8. SUGGESTIONS

- Asian Paints Ltd will retain their profitability position by creating economical employment of their offered resource.
- The company should maintain sufficient cash, bank & marketable securities to satisfy the expenses.
- The profit of the company are often raised through increasing productivity and decreasing the expenses.
- The success of the management can be raised or improvement solely maintaining high level of return on investment.

- The capital employed of the company can be raised by several inventive offers to the public to invest more.

9. CONCLUSION

The study was undertaken to evaluation the efficient management of finance is very important for the success of an enterprise. Term financial performance is very dynamic term. The subject matters of financial performance have been changing very rapidly. At present time greater importance is given to financial performance. So, an attempt was made to study the financial performance of the selected unit i.e. Asian Paints Ltd.



While analyzing the financial performance of the selected units, the study includes the analysis of liquidity ratio, analysis of profitability ratio and analysis of activity ratio.

The study conclude that the financial position of the Asian Paints Ltd as show better position during the period of study.

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