



A STUDY ON FINANCIAL PERFORMANCE OF WHIRLPOOL LTD

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ABSTRACT

The financial statement is the method of reviewing and analyzing company's accounting reports in to order past, present, and future performance. Its prepared in order to meet requirement, effectively so that future profitability and cash flow forecast. This study is based on secondary data and balance sheet and profile and loss account for the last 5 year of whirlpool ltd is a to analysis is financial position. The tools used for this ratios analysis like liquidity ratios, profitability ratio, solvency ratio and activity ratios. The suggestions of the study the reveal that the profit of the of the company need to raise to increase productivity and decreases expenses and also the company should short term liquidity , so that it help to meet pay of current due. Thus the study conclusion the company has to take necessary step to control its cost, to increase volume of sales and profit to increase in the future year

KEYWORDS: liquidity performance, financial performance, growth aspects

1. INTRODUCTION

Financial statement refers to formal and original statements prepared by a business to disclose its financial information. Financial statements are prepared to satisfy external reporting obligations and also for decision purposes. They play a vital role in setting the framework of managerial decisions. Financial performance analysis includes analysis and interpretation of monetary statements in such how that it undertakes full diagnosis of the profitability and financial soundness of the business. It deals with the financial strength and weakness of the business concern accurately establishing a relationship between the balance sheet and income statement. These statements are the result of summarized process of accounting and are therefore the sources of data the basis of which conclusions are drawn about the profitability and therefore the financial position of the concern.

2. STATEMENT OF THE PROBLEM

The primary objective of a business undertaking is to earn profits. Profit earning is considered for the survival of the business. A business needs profit not only for its existence, but also for expansion and diversification the investors want an adequate return on the investment as well as workers, creditors. And a business enterprise can discharge its obligation to various segments of the society only through earning of profit.

3. OBJECTIVE OF THE STUDY

- To analyze the turnover position of whirlpool.
- To evaluate liquidity and profitability position of whirlpool.
- To know the operating efficiency of whirlpool.
- To offer suitable suggestions for effective function.

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

The following statistical tools were applied to analyze the statistical data collected for calculation of financial performance analysis:

Ratio Analysis

- Liquidity Ratios
- Profitability Ratios
- Solvency Ratios
- Activity Ratios

6. REVIEW OF LITERATURE

P Kasthuri & C Rajendran (2020) this study aims to analyses the financial performance of two top most home appliance companies in India, duration taken for the period is 5 years from 2014-2018 for both the companies. Most of the ratios are not correlated with order ratios in both the companies. Only 2 ratios are correlated in TTK prestige and 1 ratio in BEL using correlation of co-efficient. Using regression model it is evaluated that there is no variables dependent on other variables dependents on other variables in both companies.

Dr. R Jayanthi (2018) from this study growth of the company started slowing down over the last couple of years due to a variety of factors such as volatility in the prices of raw materials besides uncertainties in their availability, aggravated by natural calamities like floods and cyclone in the areas where the company's products have strong presence.

Dr. B. Saranya, "Dr. K.M. Chinnadorai (2017), it is concluded that majority of the company's net sales, operating profit and dividend are found significant. It is also necessary for the company to build a confidence of the customers and the public through their strategies. Similar study can be extended by taking more number of companies covering the India as a whole. More awareness campaign created to improve the sales of electronic goods. The government should take adequate step to bring down the level of tariffs so that it will enhance the customer to make their purchase easily. From the study it is concluded that companies should concentrate much on their operating profit and thereby increase their sales.

7. TABLE

Year	Current Ratio	Liquidity Ratio	Net Profit Ratio (%)	Proprietary Ratio (%)	Total Asset Turnover Ratio (%)
2015-16	1.81	1.12	6.98	187.41	1.53
2016-17	1.78	1.07	7.88	253.51	1.37
2017-18	1.69	1.05	7.29	275.93	1.49
2018-19	1.80	1.15	7.55	426.82	1.45
2019-20	2.09	1.32	7.96	469.04	1.38

- The current ratio shall be 2:1. During 2015-16 firm achieves the current ratio 1.81 and lowest ratio in the year 2017-18 was 1.69. But in the year 2019-20 they again have reached 2.09. However, the management of the whirlpool ltd should initiate necessary steps to utilize and be like.
- The standard form of quick ratio is 1.1. Liquid ratio is decreased in the year 2017-18 to 1.05 from 1.07. And it has increased to 1.15 in the year 2018-19 and then it increased to 1.32 in

the year 2019-20. However the ratio is more the standard ratio so it is satisfactory.

- The table indicates that in the year 2015-16 net profit was 6.98 and the ratio increased in the 2016-17 as 7.88. In 2017-18 in has decreased 7.29. The net profit ratio has gradually increased 2018-19 and 2019-20 as 7.55 and 7.96.
- From the above data in the year 2015-16 the proprietary ratio 187.41. And the proprietary ratio is gradually increased in the year 2017,



2018, 2019 and 2020 as 253.51, 275.93, 426.82 and 469.04.

- Total asset turnover ratio during the study period 2015-16 as 1.53. In the year 2016-17 move downwards 1.37. In the year 2017-18 move upward 1.49. In 2019-20 gradually decreased 1.45 and 1.38.

8. SUGGESTIONS

- ❑ The liquid asset should be maintained properly order to improve its liquidity position in the future.
- ❑ The profit of the company need to raise through increasing productivity and decreasing expenses.
- ❑ They should increase its short term liquidity of the company, it helps to meet the pay of current dues.
- ❑ The company has to take right strategy to regain the net profit in the coming year.

9. CONCLUSION

The study concludes that is significant different in the performance evaluation of Whirlpool Limited in the terms of liquidity, profitability and activity ratios managerial efficiency position. Financial performance is basic instrument, which provides all information about the financial position and operational efficiency of the company. Thus, the findings and suggestion which will be helpful for the development and improvement of the company. The Company has to take appropriate steps to control the cost, increased the volume of sales, profit in the future years.

10. REFERENCE

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