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A COMPARITIVE STUDY ON FINACIAL PERFORMANCE OF ULTRATECH AND AMBUJA CEMENTS IN INDIA

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`ABSTRACT

Financial performance in broader sense refers to the degree to which financial objectives being or has been accomplished and is an important aspect of finance risk management. It is the process of measuring the results of a firm's policies and operations in monetary terms. It is used to measure firm's overall financial health over a given period of time and can also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation.

KEYWORDS: ***Financial ratios, Growth aspects***

1. INTRODUCTION

Financial performance in broader sense refers to the degree to which financial objectives being or has been accomplished and is an important aspect of finance risk management. It is the process of measuring the results of a firm's policies and operations in monetary terms. It is used to measure firm's overall financial health over a given period of time and can also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation.

2. STATEMENT OF THE PROBLEM

Generally the development of industries depends on certain factors such as finance, quality and technology .In this study it is generally concentrated on financial performance of UltraTech and Ambuja cements in India. And it also deals with the liquidity and operational efficiency of the organization.Financial analysis is done inorder to bring out the fairness and efficiency of the firm. It improves the productivity factor and sales ratio.

3. OBJECTIVES OF THE STUDY

The Objectives of the study are stated as follows:

1. To analyse the financial performance of the companies.
2. To analyse the data with the help of selected tools.
3. To study the results of UltraTech and Ambuja Cements.
4. To offer suggestions that are based on study findings.

4. RESREACH METHODOLOGY

Source of data	**Secondary data**
Period of the study	**2017-2018 to 2019-2020**
Tools	**Financial ratios**

5. TOOLS

Financial ratios

- Working capital ratio
- Quick ratio
- Price earning ratio
- Earning per share
- Debt equity ratio

6. REVIEW OF LITERATURE

- Anand (2017) has made an attempt to study on Financial Analysis in Textile Sector. This paper focuses on the financial strength of the textile companies in India and to know up to what extent textile sector have utilized the resources effectively. This study is explanatory and empirical in nature and frames the hypothesis for the study. Furthermore the study is concluded by accepting the null hypothesis is which shows that there is no significant difference in the profitability, liquidity and solvency position in the selected textile companies. Ayyapan and sultana (2017) have made a study on financial performance analysis of selected textile industries in India. The paper mainly focuses on the trend value of the selected textile industries and their financial positions in future. The conclusion suggests that the industries can reduce the factory overheads, control the cost of goods sold and operating expenses to increase the profit thereby and to become stable in the future.
- Sathya and Umarani (2018) have made a study on financial performance analysis of spinning mills of Coimbatore city for a five year period (2013-14) to analyze the financial performance of the companies. This study uses descriptive research design and secondary data collected to analyze the financial performance and to study the liquidity, Leverage, profitability and turnover ratios position of these companies. This study is concluded by suggesting the firm to maintain good solvency to meet the short run and long run obligations and to follow a fixed policy and also to provide dividend.
- Ayyapan and sultana (2017) have made a study on financial performance analysis of selected textile industries in India. The paper mainly focuses on the trend value of the selected textile industries and their financial positions in future. The conclusion suggests that the industries can reduce the factory overheads, control the cost of goods sold and operating expenses to increase the profit thereby and to become stable in the future.

7. TABLE

Year	Current Asset	Current Liabilities	Working Capital Ratio
2017 – 2018	11,461.31	11,515.44	0.59
2018-2019	12,954.24	15, 533.25	0.61
2019- 2020	15,007.37	23,583.38	0.58

(Source: Secondary data)

The Ultatech cements has the highest working capital ratio of 0.61 in the year 2018-2019 and the lowest 0.58 in the year 2019-2020.

- The Ulratech cements has the the highest quick ratio of 0.63 in the year 2018-2019 and the lowest of 0.59 in the year 2017-2018.
- The Ultratech cements has the highest Price earning ratio of 48.08 in the year 2018-2019 and the lowest of 16.09 in the year 2019-2020.
- The Ultratech cements has the highest debt equity ratio of 0.86 in the year 2018-2019 and the lowest of 0.55 in the year 2019-2020.

8. SUGGESTIONS

- The Ultratech and Ambuja cement can take proper steps in increasing their Financial position which was decreasing and fluctuating throughout the year,
- Ultratech cement must invest in areas which help them in increasing their capacity.
- The financial ratio of the Ultratech and Ambuja cements is not upto to the standard ratio. So both the companies can take necessary steps to improve their financial position.
- Both the companies can keep on improving their profit in the upcoming years ,which will also enhance the share value of the company.

9. CONCLUSION

The Study reveals that the financial performance is fair. Both the company has been maintaining good financial performance and further it can improve if these companies concentrates on its operating administration and selling expenses and by reducing expenses.Both the companies has to increase sales volume and gross profit. The companies were able to meet its entire requirements for capital expenditures and higher level of working capital commitment with higher volume of operations and from its operating cash flows.In order to compete with global economic scenario and to sustain their place in cement industry , they need to

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monitor their financial performance continuously and take financial decisions decisions rationally.

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