



# A STUDY ON FINANCIAL PERFORMANCE OF ORACLE FINANCIAL SERVICES SOFTWARE LIMITED

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## ABSTRACT

*Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. The study used five years of Oracle financial services software limited company data and the main objective of the study is to estimate the profitability of the business concern. The tools used for the study are liquidity ratio and profitability ratio. The suggestion given is that the company's day-to-day cash management need to be improved and it has to improve the efficiency at converting sales into actual profit to enjoy the best profit.*

**KEYWORDS:** Profitability ratio, operating efficiency, improve sales.

## 1. INTRODUCTION

Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. The term is also used as a general measure of a firm's overall financial health over a given period. Analysts and investors use financial performance to compare similar firms across the same industry or to compare industries or sectors in aggregate. Financial performance is the achievement of the company's financial performance for a certain period covering the collection and allocation of finance measured by capital adequacy, liquidity, solvency, efficiency, leverage and profitability. Ratio analysis is a quantitative method of gaining insight into a company's liquidity, operational efficiency, and profitability by studying its financial statements such as the balance sheet and income statement. Ratio analysis is a cornerstone of fundamental analysis. Investors and analysts employ ratio analysis to evaluate the financial health of companies by scrutinizing past and current financial statements.

## 2. STATEMENT OF THE PROBLEM

The problem of the analysis is to decide the economic ratio evaluation and to earn enough profit to control the proper functioning of oracle financial services software limited. The performance of business is measured by using the quantity of profit earned. The more the profit, the more efficient is the business. An attempt has been made to analyze the financial performance of the business of oracle financial services software limited.

## 3. OBJECTIVE OF THE STUDY

- To evaluate the financial performance through ratio analysis
- To estimate the profitability of the business concern.
- To examine the operating efficiency of various business activities



#### 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 analyse the statistical data collected for calculation of financial performance analysis.

- Current ratio
- Liquid ratio
- Absolute liquid ratio
- Gross profit ratio
- Net profit ratio
- Operating profit ratio
- Operating ratio
- Expenses ratio
- Return on Investment ratio
- Return on shareholder's fund ratio
- Return on Assets ratio

#### 6. REVIEW OF LITERATURE

**MR. S. SABARINATHAN AND MS. V. JENIFIER (2019)** have analyzed the study on the financial performance of Kaleeshwar mills B unit of national textile corporations with the scope of making the ratio analysis of this unit by using ratio analysis and turnover ratio by this they found that the current ratio of the company is higher (4.33%) in 2009-10 and it is lower in 2008-09 and suggested that the company should concentrate on financial performance of the company, should control the ratio to earn more profit and the company to improve the absolute liquid assets.

**SHARMILA.P (2019)** have made a study on financial performance of Hindustan Unilever limited with the scope to know the short term and

long term financial position of the company, to determine the profitability of the company and to calculate the trend analysis of the company with tools like ratio analysis, liquidity, solvency and profitability ratio and trend analysis, through this the author found that the highest current ratio is 1.43 is found for the year 2015-16 and lowest current ratio is 0.99 is found for the year 2012-13. The year 2016-17 in there is a significant decrease in current ratio. The suggestions given through this study are the company should maintain the share capital to dividend to the shareholders, in the current assets should be increased to improve the liquidity position of the company.

**Dr. R.MALINI AND Dr. A.MEHARAJ BANU (2019)** made a study on financial performance analysis of Indian tobacco corporation limited with the objective to assess the overall financial performance and to analyze the profitability position with the help of selected tools by using ratio analysis. The findings of this study are the operating ratios of the company are very high hence it indicates the higher operating expenditure has been incurred and the company is inefficiently utilizing its inventory because there are no poor sales or excess inventory. The suggestions of the study are the company is in a required liquidity position to meet its short term obligations and the company's profit over the years has been increasing when compared to previous years.

#### 7. TABLES

Year	Current Ratio	Liquid Ratio	Absolute Liquid Ratio	Gross Profit Ratio	Net Profit Ratio
2015-16	4.71	4.71	3.18	42.83	25.39
2016-17	1.64	1.64	1.16	41.12	26.79
2017-18	3.88	3.88	2.42	40.65	27.32
2018-19	4.07	4.07	2.66	45.72	27.95
2019-20	6.32	6.32	4.75	46.33	30.08



- Current ratio of the company is highest in the year 2020 and lowest in the year 2018.
- Liquid ratio of the company is highest in the year 2020 and lowest in the year 2018.
- Absolute liquid ratio of the company is highest in the year 2020 and lowest in the year 2017.
- Gross profit ratio is highest in the year 2020 and lowest in the year 2018.
- Net profit ratio is highest in the year 2020 and lowest in the year 2017.

## 8. SUGGESTION

- The company is able to pay short term obligations and the company has enough quick assets to pay for its current liabilities, so the company has to maintain this further
- The company's day-to-day cash management need to be improved.
- The gross profit margin may be improved by increasing sales price or decreasing cost of sales.
- The company has to improve the efficiency at converting sales into actual profit to enjoy the best profit.
- The company should try to keep the costs lower and increase its sales.

## 9. CONCLUSION

The analysis of financial performance of ORACLE FINANCIAL SERVICES SOFTWARE Limited is stated in this report. The liquidity position of the company is satisfactory hence the company can meet out its short term liabilities and have enough quick assets to pay off current liabilities and future it has to maintain day to day cash management to increase the absolute liquid ratio alone. However the profitability position of the company is not much better, that the company has to decrease the cost of production and keep the cost lower or increase sales price and also need to improve the efficiency in converting sales into actual profit.

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