THINK INDIA (Quarterly Journal)

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

To Study The Financial Position Of Maruti Suzuki India Ltd Using Ratio Analysis

Dr. Rishikaysh Kaakandikar

(Associate Professor, Department of Management,

Zeal College of Engineering and Research, Narhe, Pune)

And

Miss. Seema Ramhari Ponde

PG Student, Department, of Management,

Zeal College of Engineering and Research, Narhe, Pune)

Abstract:

The auto enterprise has long gone swiftly now a day. The traits and adjustments are made up very quickly because the generations' gone pass. And its miles just because of the new technology associated with vehicle enterprise. There are numerous numbers of vehicle businesses. Maruti Suzuki India restricted is the only and it's miles the maximum main company of the Indian vehicle industry. The exam has been directed for to realize the all monetary presentation of unique enterprise.

Keywords: Ratio Analysis, Liquidity Ratio, Financial Analysis, Profitability

1. INTRODUCTION

The finance is the sector wherein control of money is completed. Within the finance various activities that are covered in finance they're planning, control, budgeting, forecasting, borrowing, lending, investing etc. Finance is the very core part of any activity and to manipulate the finance there are numerous techniques are getting used. Like monetary evaluation with the aid of doing financial evaluation you can actually discover how a great deal he wants to invest & how a whole lot he's going to get return? Such questions can be solved by means of doing financial analysis. Monetary analysis is the technique in which it's far find out that whether or not the business entity company is financially successful, solvent, and liquid for that we want to find out the liquidity & profitability of that unique entity. The financial analysis is achieved by means of numerous strategies, the ratio analysis is one.

Copyright ⓒ 2019Authors

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

2. OBJECTIVE OF STUDY

- To observe the liquidness role of Maruti Suzuki India Limited
- To analyze the all efficiency of the unique organization by means of the use of productivity ratios
- To evaluate the previous 4 years and cutting-edge year overall performance of the company on the basis of the ratios.

3. RESEARCH METHODOLOGY

I have used descriptive research methodology. The researcher has used information already to be had and examine them to make a vital assessment of monetary performance. This study depends on a multi yearly report from 2015-19 of Maruti Suzuki India Ltd. This paper titled "ratio analysis" is primarily based on the information accumulated from the once a year record and Balance sheets of the organization." the evaluation and expertise of financial statements reveal each concerning the well-being financial soundness, operational performance and financial position of the organization. The records are collected from magazine e-book, journal, online eBook. The researcher has taken the help of the audited monetary statements to perform the study.

4. DATA ANALYSIS AND INTERPRETATION

Ratio:

A ratio analysis is measureable analysis of records controlled in a organization's monetary statements. Share research is utilized to assess different elements of an organization' employable and cash related execution, for example, its effectiveness, liquidity, performance and dissolvability.

4.1 Liquidity Ratios

Liquidity volume is the diverse of extents used to assess the ability of an association to satisfy its lengthy drag commitments. Additionally, the dissolvability proportion evaluates the dimensions of an agency after its assessment income, with the exception of non-money devaluation fees, when contrasted with the all-out responsibility prerequisite of the employer. Liquidity quantity can be portrayed in to three groupings,

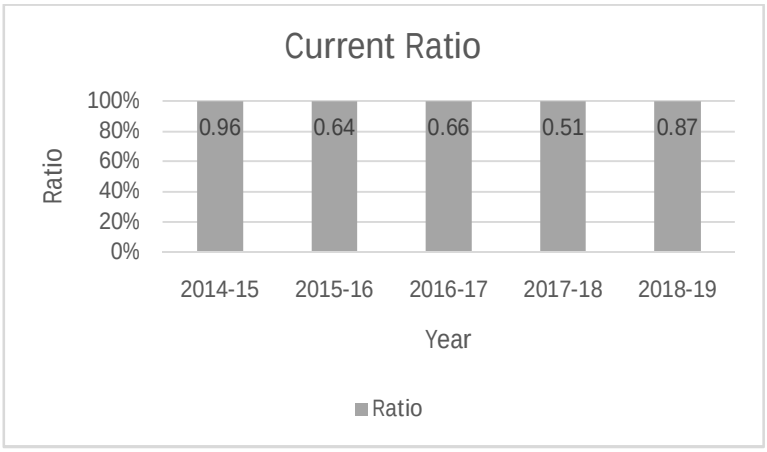
 Copyright ⓒ 2019Authors

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

a. Current Ratio: - Current proportion is a liquidity proportion which estimates an organization ability to pay its present liabilities with money deliver from its present resources separated by current liabilities**.**

Current Ratio = Current Assets/Current Liabilities

Year	Current Assets	Current Liabilities	Ratio
2014-15	86,964	89,824	0.96
2015-16	74,043	1,14,601	0.64
2016-17	87,980	1,32,368	0.66
2017-18	79,300	1,54,485	0.51
2018-19	1,23,727	1,41,605	0.87



INTERPRETAION: -Ideal current ratio is 2:1. Company liquidity position is good the present proportion is high in the year 2014-15.

b.Liquid Ratio: - Liquid ratio processes a company's capability to pay off its short term debt responsibility. This done by contrasting an organization's most excessive liquid resources with current liabilities

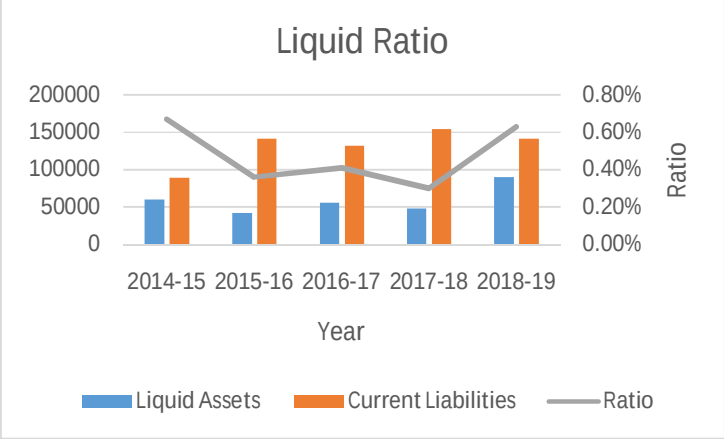
Liquid Ratio= Liquid Ratio/Current Liabilities

Year	Liquid Assets	Current Liabilities	Ratio
2014-15	60220	89824	0.67%

Copyright ⓒ 2019Authors

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

2015-16	42045	141601	0.36%
2016-17	55343	132368	0.41%
2017-18	47698	154485	0.30%
2018-19	90501	141605	0.63%



INTERPRETATION: - This is ratio accepted that during the investigation time frame the liquid proportion is combined in the year 2014-15 when differentiation with the year 2018-19.

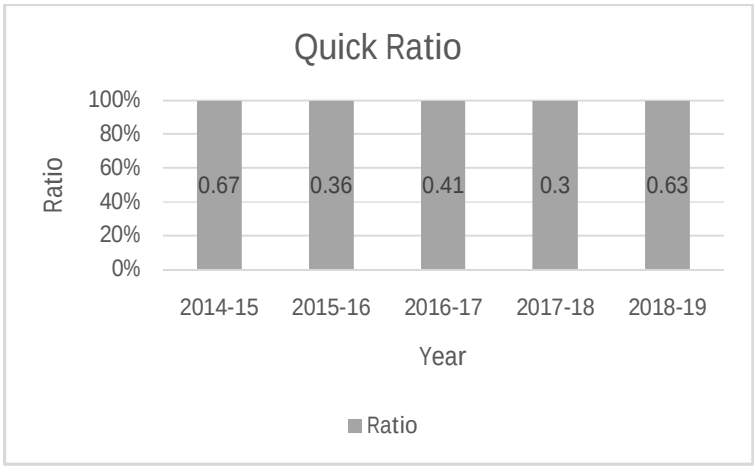
c.Quick Ratio: -The rapid proportion is a pointer of an organization's transitory liquidness circumstance and systems an organization's capacity to meet its momentary commitments with its most fluid resources.

Quick Ratio = Current Assets-Inventories/Current Liabilities

Year	Quick Assets	Current Liabilities	Ratio
2014-15	86,964	89,824	0.67
2015-16	74,043	1,14,601	0.36
2016-17	87,980	1,32,368	0.41
2017-18	79,300	1,54,485	0.30
2018-19	1,23,727	1,41,605	0.63

Copyright ⓒ 2019Authors

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

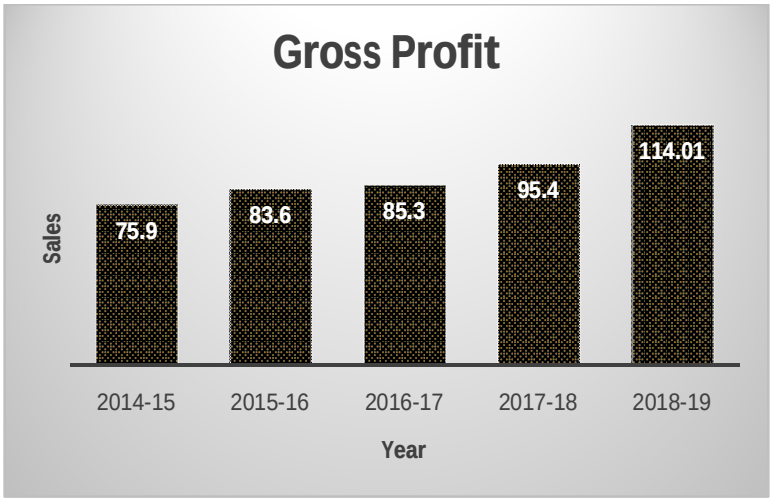


INTERPRETATION: - A quick ratio is a sign that the firm is liquid & has the ability to satisfy its liability in time. The ratio is high in 2014-15 and in 2018-19 is decrease.

d.Gross Profit Ratio:-Gross profit ratio is a profitability ratio that shows the association between gross profit and total net sales revenue.

Gross Profit = Gross Profit/Sales*100

Year	Gross Profit	Sales	Ratio
2014-15	1,51,867	2,00,000	75.9%
2015-16	1,92,355	2,30,000	83.6%
2016-17	2,13,428	2,50,000	85.3%
2017-18	2,48,233	2,60,000	95.4%
2018-19	2,85,0,46	2,50,000	114.01%



Copyright ⓒ 2019Authors

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

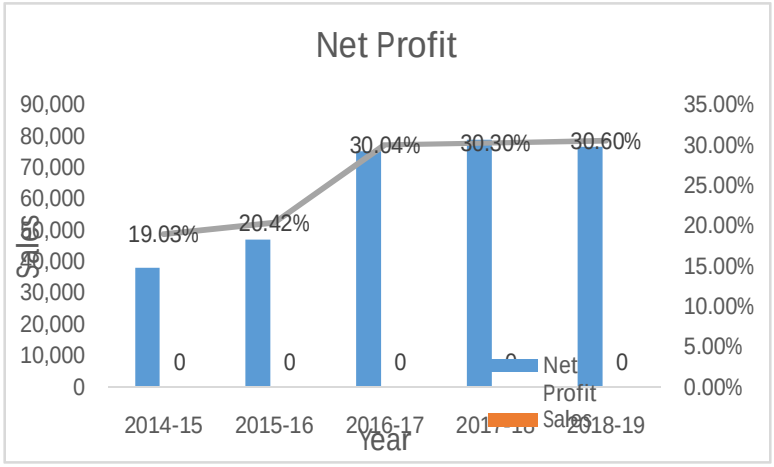
INTERPRETATION:-

From the above table, it is understood that during the research period, the gross income ratio shows the increasing trend from the year 2014-15 to 2018-19.

e.Net Profit Ratio: -Net profit ratio is a popular profitability ratio that shows relationship between net profit after tax and net sales. It is computed by dividing the net profit by net sales.

Net Profit Ratio = Net Profit/sales*100

Year	Net Profit	Sales	Ratio
2014-15	38,074	2,00,000	19.03%
2015-16	46,988	2,30,000	20.42%
2016-17	75,110	2,50,000	30.04%
2017-18	78,800	2,60,000	30.30%
2018-19	76,506	2,50,000	30.60%



INTERPREATION: - From the above table, it is comprehend that during the investigation time frame the net benefit proportion shows the expanding pattern. It is a decent characteristic of the company.Net benefit proportion is high in the year 2018-19.

f.Operating Ratio:-Working proportion (if not called working cost proportion or working costs proportion) is determined by partition working costs of a specific period by net deals made during that period.

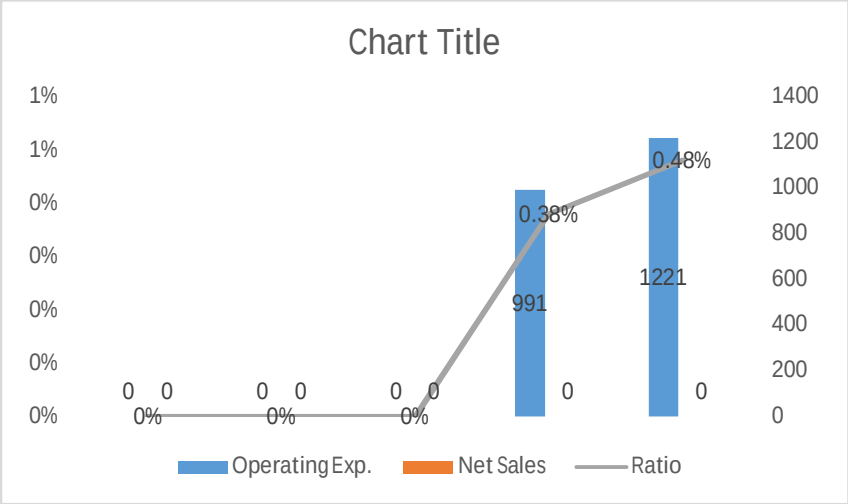
Operating Ratio = Operating Expenses/Net sales*100

Year	Operating Exp.	Net Sales	Ratio

Copyright ⓒ 2019Authors

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

2014-15	0	2,00,000	0
2015-16	0	2,30,000	0
2016-17	0	2,50,000	0
2017-18	991	2,60,000	0.38%
2018-19	1221	2,50,000	0.48%



INTERPRTENTION:-The operating profit ratio is shows the increasing profit. This ratio is high in the year 2018-19.

5. FINDINGS

1. Ideal current ratio is 2:1. Company liquidity position is good the present proportion is high in the year 2014-15.
2. During the study period, the gross profit ratio illustrations the increasing trend from the period of 2014-15 to 2018-19.
3. The Net Profit Ratio is consistent in the year 2017-18 to 2018-19.
4. The Operating Ratio has increase from 0.38 to 0.48 during the period of the study.
5. The quick ratio is raises in the year 2014-15

6. LIMITATIONS

• The study depends on auxiliary information.

• The study depends on quantifiable angles and subjective perspectives are overlooked.

Copyright ⓒ 2019Authors

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

7. CONCLUSION

The significant objective of the investigation was to consider the Ratio Analysis of the company. A financial position of the company i.e.Maruti Suzuki India Limited has done to separate the general money related information. A Ratio Analysis means dealing with every component of proportion. On account of MSIL the sound in the liquidity proportion is balanced by the ascent in benefit proportions. The organization designates more measure of assets on undertakings to have a control the contenders.

8. REFERENCES

1. **BOOKS**

   Financial Management –Khan & Jain
   Research Methodology-C.R.Kothari

2. **WEBSITES**

   www.google.com

   www.marutisuzuki.com

3. **REPORTS**

   Annual Report of Maruti Suzuki India Ltd. Pune

Copyright ⓒ 2019Authors