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Ratio Analysis at NSSK Bidar

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Abstract- ***This has given excellent learning opportunities for me to related theory in to practice and to know how organisation actually function and how it delivers the end results. The main objective of the project is to understand the financial position of the company using the ratio analysis. Both primary data and secondary data were used. For the data collection. Relevant information was collected for theoretical background from various texts, websites, journals and publications. In the organisation workers are well treated by their supervisors. The project report included the theoretical framework of financial ratio analysis and statement of the problem, scope of the study, objectives, and limitation. In this project analysing the five years data. It was a good opportunity to me to learn new things through this project.***

I. INTRODUCTION

The main aim of this project is in learning practical knowledge and understanding the concept, that make students give an opportunity for change to recognize and study the organisation plays different activities which helps the student to learn about different department activities carried in the organisation. This study will help to improve the knowledge and future aspects to guide their progress. They can also manage different challenges to perform better and helps to make decision from their experience learn in this project. Naranja sahakari sakkare karkhane Ltd. Provided opportunity for the period of 6 weeks, where they trained some of the basic concepts which helped to gain knowledge. The financial analysis one of the important things to take used tool. This ratio analysis is used to know financial position of company. The project report is a systematic study of real associated analysis of problem intended to resolve the problems with application of analysis conceptual experience.

1.1 INDUSTRY PROFILE

The Industry Is Sugar Industry.

In 1840 the first sugar industry was set up in Betia (Bihar). It is the leading producer of sugar in India & one of the largest sugar industry in the India economy. The first chemically refined sugar appeared on the scene in India about 2500 years ago from there the technique spread east towards China, west towards Persia and the early Islamic worlds, eventually reaching the mediterranean in the 13th century.

Sugar was only discovered by western Europeans as a result of the crusades in the 11th century AD. Crusaders returning home talked of this 'new spice' & how pleasant it was the first sugar recorded in England in 1099.

Before sugar become widely known, our ancestors ate honey and dates, which they also used for sweetening their food. This can be seen from writings and reliefs from ancient cultivations around the Mediterranean Sea. Honey is the oldest sweetener we know of.

In earlier days sugar manufacturing units are considered as 'Part time' industries and not given much importance to this industry compared to others. But at present, the various of sugar industry have been changed. It is recognized as one of the most important media in up lifting of the socio-economic of rural economy.

The sugar industry is basically an agro based industries in India next to cotton textiles, which occupies a place of in the global as well as economy. It is playing an important role in achieving socio-economic development. India is one of the largest products of sugar-cane in the world. It contributes nearly to 20 to 25 percent sugar-cane area and 10 to 13 percent production in the world.

The contribution of sugar industry to India economy is of manifold. It plays a vital role in socio-economic development of rural areas by mobilising resource and generating employment, transport, banking and communication facilities. The industry with 1.76

percent weightage in annual industrial production, is providing direct sustenance to about 35 million farmers, their dependents and a large mass of agricultural labour in sugar-cane cultivation, harvesting and ancillary activities. Besides, it offers direct employment to over 4 million rural workmen. With its total turnover of rs.20,000 crore per year the Indian sugar industry is amongst the largest tax payers to the central and state exchequers contributing around rs.1800 crore per annum. In addition, it has a potential of earning more than rs,1500 crore annually in foreign exchange through regular exports.

Sugar industries are one of the major industries which are contributing much to the growth of rural economy. Further interestingly, the sugar industries are utilising the rural resources and struggling hard to meet the large demand of sugar with and to meet the increasing 'power' need of the country in its own limitations. Sugar industries considered as an agro-based industry. Hence the location of such industries is always at rural areas.

Now sugar industries are contributing to the nation not only by creating the needs of sugar demand but also it contributes in the field of generating electricity by bagasse-based co-gen unit, distilleries, ethanol and bio-fertilizers units by using it's by the products.

Naranja. S. S. K has been taken up for in-plant training Naranja. S. S. K Ltd is a co-operative venture and pioneering its efforts since 1982 and playing an important role in socio-economic development of the farmers in particular and the overall economic development of the region in general. The purpose of this study is to gain an insight about the working of various department in the organization. The study helps to understand how the departments within the organization work independently.

HISTORY

India is the largest consume and second largest producer of sugar in the world over 453 sugar factories located throughout the country, the sugar industry is amongst the largest agro-processing industries in India, with an annual turnover of Rs 500 billion.

India has been known as the original home of sugarcane and sugar. Indians knew the art of making sugar since the fourth century. However, the advent of modern sugar industry in India dates back to mid-1930's when a few vacuum pan units were established in the sub-tropical belts of Uttar Pradesh and Bihar. Until the mid-50's the sugar industry was almost wholly the discovery of sugarcane, from which sugar as it is known today, is derived, dates back unknow thousands of years.it is thought to have originated in New Guinea, and spread along routes to Southeast Asia and India. The process known for creating sugar, by pressing out the juice and then boiling it into crystal, was developed in India around 500. Its cultivation was not introduced into Europe until the middle-age, when it was brought to Spain by Arabs. Columbus took the plant, dearly held, to the West Indies, where it began to there in a most favourable climate it aws not until the eighteenth century that sugarcane cultivation was in the United States, where it was planted in the southern climate of New Orleans. The very fast refinery was built in New York City around 1690, the industry was established by the 1830s.earlier attempts to create a successful industry in the U.S. did not fare well' from the late 1830s, when the first factory was built. Until 1872, sugar factories closed down almost as quickly as they had opened. It was 1872 before a factory, built in California, was finally able to successfully produced sugar in a profitable manner.

Sugarcane and sugar beet are the main sources of sugar in the world out of total sugar produced in the world 60 percent is obtained only from sugarcane. Aisa is the largest producer of sugar followed by Europe most of the sugar in Aisa comes from sugarcane whereas in Europe from sugar beet. Presently sugarcane is grown in an area of 16 m. ha in over 79 countries. The global production of raw sugar is 112m.t. India stands first in area (3.39 m. ha) and production (167 m.t) among the sugarcane growing countries of the world. Uttar Pradesh has the largest area almost 50 Percent of the cane area in the country, followed by Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh, Gujarat, Bihar, Haryana and Punjab. These nine are most important sugarcane producing states. Sugarcane production is also highest in U.P. followed by Maharashtra. Productivity wise, Tamil Nadu stands first with over 100 tonnes per hectare followed by

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Karnataka, Maharashtra. Bihar has the lowest productivity amount the major sugarcane growing states. The sugar industry is the second largest agro-based industry, next only to textiles, in the country.

Sugar industry in India dates back to mid-1930's when a few vacuum pan units were established in the sub-tropical belts of Uttar Pradesh and Bihar. until the mid-50s, the sugar industry was almost wholly the discovery of sugarcane, from which sugar as it is known today, is derived, dates back unknow thousands of years. The process knows for creating sugar, by presenting out the juice and then boiling it into crystals, was developed in India around 500, its cultivation was not introduced into Europe until the middle-ages, when it was brought to Spain by Arabs. Columbus climate it was not until the eighteenth century that sugarcane cultivation was began in the United States, where it was planted in the southern climate of New Orleans. The very fast refinery was built in New York City around 1690 the industry was established by the 18330s. earlier attempts to create a successful industry in the U.S. did not fare well from the late 1830s, when the first factory was built. Until 1872, sugar factories closed down almost as quickly as they had opened. It was 1872 before a factory, built in California, was finally to successfully produce sugar in a manner.

India is the largest producer of sugar including traditional cane sugar sweeteners, khandasari and Guru equivalent to 26 million tonnes raw value followed by Brazil in the second placed at 18.5 million tonnes. Even in respect of while crystal sugar, India has ranked No. 1 position in 7 out of last 10 years.

1.2 COMPANY PROFILE

Background and inception of the company:

The Naranja Sahakari Skkare Karkhane Ltd is a co-operative venture registered on 27th April 1982 under the Karnataka co-operative society's act 1959 vide Reg.No, DSK:REG-5/82c-83 with an objective to facilitate farmers to improve their socio-economic conditions. The government of india have issued letter of intent vide No. Li; 193(1989) dated 20th March 1989. The crushing capacity of the sugar plant is 2500 TCD & co-generation unit of 14 Mw. The plant is located at G.N. Nagar Imampur village, 14km away from Bidar city.

The location of the factory is very ideal in terms of the following:

An availability of sufficient raw material: - The area of operation of the factory covers the entire Bidar District. The cane availability within the radius of 15-20 km is much and saves transportation cost of cane from filed to factory besides saves the time.

Water sources: - River Manjra, canals, tanks, well & borewells are providing required quantum of water for growing cane in the reserve area of the factory which ensures the availability of the cane without any interruption.

The required quantum of water to run the factory and for local consumption for employee's colonies is met by river Manjra and bore wells.

The activities of the factory were confined only to the development of civil works, landscaping and building etc since 1982 to 2000. Th project was started for 18 years due to want of leadership. The licence of the factory was in the verge of cancellation. In such crucial juncture, honourable Sri Gurupadappa Nagamarapalli, a bold leader and a progressive farmer and the leader of the mass took the management of the company into his hands. With the association of likeminded of the people he has mobilizes required resource like money, material and man power within a short span of 18 months and started the commercial production in 2002.

II. CONCEPTUAL BACKGROUND AND LITERATURE REVIEW

2.1 THEROTICAL BACKGROUN OF THE STUDY

RATIO ANLAYSIS:

Ratio express the relationship in mathematical terms between figures. Ratio analysis is a powerful tool of financial analysis. In financial analysis, a ratio analysis is a method of determine and interpreting different items in financial statement. The term ratio refers to the relations of mathematical terms between 2 individual group or figures connected with each other

and are selected from financial statement of the concern. The relationship between two or more accounting figure are called as financial ratios.

Ratio analysis is a widely used tool for financial analysis. It can be used to compare the risk and return relationships of firms of different sizes. It can be defined as the systematic use of ratio interpret the financial statements so that the strengths and weaknesses of a firm as well as its historical performance and current financial condition can be determined.

The rationale of ratio analysis lies in the fact that it makes related information comparable. A single figure by itself has no meaning but when expressed in terms of a related figure, it yields significant inferences.

Ratio Analysis:
Ratio analysis is the process of determining and interpreting numerical relationship based on financial statement.

According to Batty J. Management Accounting "Ratio can assist of items in its basic functions of forecasting, planning coordination, control and communication".

It helps to know about the liquidity, solvency, capital structure and profitability of an organization. It is helpful tool to aid applying judgment, otherwise complex situations.

The term ratio refers to numerical and quantitative relationship between two variables. This relationship can be expressed as

1. Time
2. Percentage

Tools or techniques of financial statement analysis:

1. Comparative statement or comparative financial and operating statement
   Comparative statement deals with the comparison of different items of the profit and loss account and balance sheet of two or more periods. Financial statement such aas comparative balance sheet, comparative profit and loss account, comparative cost of production statement, comparative statement of working capital,
2. Comparative income statement
   Three income information are obtained from the comparative income statement. They are gross profit, operating profit and net profit. The changes or the improvement in the profitability of the business concern is find out over a period of time. If the changes or improvement is not satisfactory, the management can find out the reasons for it and some corrective action can be taken.
3. Comparative balance sheet
   The financial condition of the business concern can be finding out by preparing comparative balance sheet. The various items of balance sheet for two different periods are used, the assets are classified as current assets and fixed assets for comparison. The liabilities are classified as current liabilities, long term liabilities and shareholders' net worth.
4. Common size financial statements
   Common size financial statements are those, which figures reported are converted into percentage to some common base. In the income statement, the sale figure is assumed to 100 and all figures are expressed as a percentage of sales. Similarly, in the balance sheet, the total of assets or liabilities is taken of sales. Similarly, in the total of assets or liabilities is taken as 100 and all the figures are expressed as a percentage of this total.
5. Fund flow analysis
   Fund flow analysis deals with detailed sources and application of funds of the business concern for a specific period. It indicates where funds come from and how they are used during the period under review. It highlights the changes in the financial structure of the company.
6. Cash flow analysis
   Cash flow analysis Is based on the movement of cash and bank balances. In words, the movement of cash instead of movement of working capital would be considered in the cash flows. They are actual cash flows and notional cash flow.
7. Ratio analysis
   ratio analysis is sn attempt of developing meaningful relationship between individual items in the balance sheet or profit and loss account.

Ratio analysis is not only useful to internal parties of business concern but also useful to external parties. Ratio analysis highlights the liquidity, solvency, profitability and capital gearing.

8. Cost volume profit analysis
   This analysis discloses the prevailing relationship among sales, cost and profit. The cost divided into two. They are fixed cost and variable cost. There is a constant relationship between sales and variable cost. Cost analysis enables the management for better profit planning.

9. Trend analysis
10. The ratios of different items for various periods are find out and then compared under this analysis. The analysis of the ratios over a period of years givens an idea of whether the business concern is trending upward or downward.

2.2 LITERATURE REVIEWE WITH RESEARCH

1. Davis (1976)
   He explained the uses and the limitation of ratio analysis. He views that the ratio analysis can be used for investment decision and performance analysis as the past performance of a company provides clues for future performance.

2. Bedback. H. K (1980)
   In this study on raw material management in co-operative sugar molls his concentrate on planning, storing, and controlling of raw materials. He opined that stock level setting material turnover ratio, input – output ratio, material cost analysis etc.

3. Jugalc.B.B(1986)
   He study on Employment in sugar factories, he analysed the direct and indirect employment opportunities generated by sugar mills at factory and farm site. His opined that a sugar mill of 1250 TCD capacity required 628 employees and that of 2500 TCD capacity required 700.

4. Barnes (1987)
   He explained in his study evaluate the company's past and present financial ratios are used to forecast the performance of a company. A higher ratio will indicate a better position for the company to meet its short-term financial obligation.

5. Sinha Ram Vichar (1988)
   He has studied the sugar industry in india from different angles. He studies on various aspects like agro-economics of sugar cane, technical performance, cost structure, utilisation of by products, labour relations, financial and administrative policies etc. he suggested for the improvement in plant efficiency development of sugar cane and infrastructure facilities, reduction in cost of production etc, for the development of the industry.

6. Ansari.A.A (1990)
   He study the organisation and management in co-operative sugar mills. He analysed the suitability of organisation system adopted by the sugar mills in their efficient management. He gas recommended that these should be professionalism in the organisation and management of the sugar mills for improving their working performance.

7. Biradar Patil.A.P. (1990)
   He research on the co-operative sugar factories. He analysis the working of sugar co-operative and their socio-economic impact on rural area. In this conclusion was that sugar co-operative have played a significant role in bringing socio – economic change in the rural area.

8. Jagdish (1992)
   In his research sugar and sugarcane production, trends and policies studied. He analyse the sugar cane and sugar pricing and distribution.
9. He study on for the period from 1990-1991 to 1995-96 in which various ratio like profitability ratios, liquidity ratios, leverage ratios, and turn over ratios were calculated.

10. Pijush Chattopadyay (1995)
    he has made an attempt to highlight the role of computerised management information system (CMIS) in the functioning of sugar factories.
    In his research he discussed about the concept, need, objective, benefits and impact of CMIS on the working of sugar factory.

11. Vijayakumar. A. (1996)
    In their study he has been analysed the sources of working capital and its impact on profitability of the sugar factor. He applied correlation, coefficient, linear, multiple regression and various working capital ratio.

III. RESEARCH DESIGN

3.1 STATEMENT OF THE PROBLEM

Ratio is considered the as one of the effective tools of the financial analysis. The ratio is understand as one number expressed in terms of another. It is as expression of relationship between two numbers by dividing one figure to another.

Ratio analysis is very important tool of financial analysis. It is the process of establishing a significant relationship between the items of financial statements to provide a meaningful understanding of the performance and position of a firm.

3.2 NEED FOR THE STUDY

- The study helps to know a liquidity, solvency, profitability and turnover position of the company.
- To know the financial system in N.S.S.K
- In this to know that the company ratio statement.
- In the study we can get the result of the company growth through analysing the company balance sheet.
- To know that this analysis the N.S.S.K company working capacity.

3.3 OBJECTIVE OF THE STUDY

- To study the financial position of the firm.
- To find out liquidity performance of the company.
- To study the financial ratio analysis statement of NSSK Ltd.
- To study about the growth of the company.
- To measure a firm's liquidity and profitability.
- To evaluate performance and progress of the company.

3.4 SCOPE OF THE STUDY

Finance is said to be the life blood of any business.
The main is to understand the depth shows the financial analysis of the firm. The study of ratio analysis further the study is based on last 5 years annual reports N.S.S.K

3.5 RESEARCH METHODILOGY

The main aim of the study is to know the financial performance of the N.S.S.K

Data collection –
Data collection is most essential aspect of any research the whole result of research depends on the data collected and information processed.
The financial statements of the company are the excellent sources for financial data and it will act as the primary sources of collecting data. The past and present financial evaluation facilitates to calculate the future.

Data Details:

Primary Data –
Primary data was collected by the survey method using structured questionnaires. To visit the company and particular department and a person of the company through this the information can get. It is primary data.

Secondary Data –
Secondary data has been collected from the books, journals office branches and documents.

IV. ANALYSIS AND INTERPRETATION

4.1 CURRENT RATIO

$$\text{Current Ratio} = \frac{\text{Current asset}}{\text{Current liabilities}}$$

Year	Current Assets	Current Liabilities	Current Ratio
2015	1355700755.34	651673075.78	2.08
2016	661396989.58	584961287.53	1.13
2017	577430939.92	604909438.53	0.95
2018	1189019016.13	1303720360.79	0.91
2019	1143740305.22	1222468622.33	0.93

Analysis:
In the year 2015 current ratio would be 2.08% and later it has been decreased from 1.13% in 2016 and 0.95% in 2017, in 2018 0.91% and 2019 it has been increased to 0.93%.

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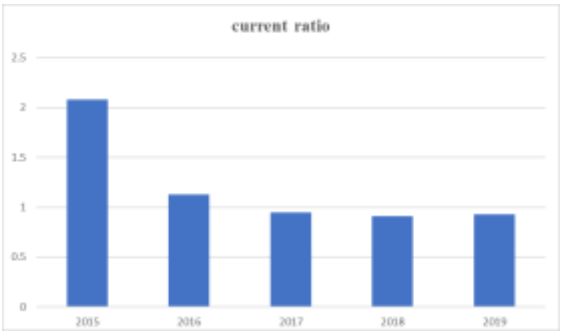

Interpretation:
The above graph shows that the company current ratio in 2015 increasing than it decreasing in 2016, 2017, and 2018 is 1.13, 0.95, and 0.91 in 2019 the ratio is 0.93. but in the 2015 the current ratio is high.

4.2 LIQUID RATIO

$$\text{Liquid Ratio} = \frac{\text{Quick Assets}}{\text{Current Liabilities}}$$

Year	Quick Assets	Current Liabilities	Quick Ratio
2015	133479908.92	651673075.78	0.24
2016	190846900.96	584961287.53	0.32
2017	302165973.8	604909438.53	0.49
2018	507035781.18	1303720360.79	0.38
2019	363710815.64	1222468622.33	0.29

Year	Current Assets	Closing Stock	Quick Assets
2015	1355700755.34	1222220846.42	133479908.92
2016	661396989.58	470550088.62	190846900.96
2017	577430939.92	275264966.12	302165973.8
2018	1189019016.13	681983234.95	507035781.18
2019	1143740305.22	780029489.58	363710815.64

Analysis:
In 2015 the quick ratio is 0.24% and it has been increased in the year 2016 and2017 is 0.32% and 0.49%, in the 2018 and 2019 it has been decreased from 0.38% and 0.29%.

Interpretation:
In the graph the quick ratio is decreasing and increasing. The standard ratio would be 0.2. the five-year ratio is above 0.2.

4.3 FIXED ASSETS TURNOVER RATIO

$$\text{Fixed Assets Turnover Ratio} = \frac{\text{Sales}}{\text{Fixed Assets}}$$

Year	Sales	Fixed Assets	Fixed Assets Turnover
2015	1458140259.74	258568750.00	5.63
2016	1542727406.80	257204431.53	5.99
2017	802640650.30	255915032.86	0.31
2018	886123762.25	243398074.92	3.64
2019	893474545.00	228860112.23	3.90

Analysis:
In the 2015 fixed assets turnover ratio is 5.63% it has been increased in the year 2016 is 5.99% than it decreased 0.31% in the 2017, later it has been increased in the year 2018 and 2019 is 3.64% and 3.90%.

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Interpretation:
The above graph shows that the fixed asset turnover ratio is increased in 2015 and 2016 than rapidly it decreased in 2017, in the 2018, 2019 the ratio is increasing.

4.4 TOTAL ASSETS TURNOVER RATIO

$$\text{Total Assets Turnover Ratio} = \frac{\text{Sales}}{\text{Total Assets}}$$

Year	Sales	Fixed Assets	Total Assets Turnover
2015	1458140259.74	1614269505.34	0.90
2016	15427274068.80	918601421.11	1.67
2017	802640650.30	833345972.78	0.96
2018	886123762.25	1372600417.45	0.65
2019	893474545.00	1432417091.05	0.61

Year	Fixed Assets	Current Assets	Total Assets
2015	258568750.00	1355700755.34	1614269505.34
2016	257204431.53	661396989.58	918601421.11
2017	255915032.86	577430939.92	833345972.78
2018	228860112.23	1143740305.22	1372600417.45
2019	243398074.92	1189019016.13	1432417091.05

Analysis:
In the 2015 the total asset turnover ratio is 0.90% in the next (2016) year it increased 1.67%. later it has been decreased in 2017 and 2018 is 0.96% and 0.65%, 0.61% in the 2019.

Interpretation:
The total asset turnover ratio is show that above graph. In the 2016 the ratio is too high. In the 2017, 2018, and 2019 the ratio is decrease.

4.5 GROSS PROFIT RATIO

$$\text{Gross Profit Ratio} = \frac{\text{Gross Profit}}{\text{Net Sales (100)}}$$

Year	Gross Profit	Net Sales	Gross Profit Ratio
2015	133421079.32	1458140259.74	9.15
2016	178764710.74	1542727406.80	11.58
2017	72808973.61	802640650.30	9.07
2018	33727402.92	886123762.25	3.80
2019	-57791856.33	893474545.00	-6.46

Analysis:
In the 2015 the gross profit ratio is 9.15% later it has been increased 11.58% in the year 2016 and in 2017 and 2018 it is decreased 9.07% and 3.80%. in the 2019 gross profit ratio is (loss) -6.46%.

Interpretation:
The gross profit ratio is show in the above graph in the 2015 the ratio is 9.15 and in 2016 the ratio is 11.58 it is more than previous year than it is rapidly change in 2019 it is coming in loss.

4.6 NET PROFIT RATIO

$$\text{Net Profit Ratio} = \frac{\text{Net Profit}}{\text{Net Sales (100)}}$$

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Year	Net Profit	Net Sales	Net Profit Ratio
2015	-266894966.08	1458140259.74	-18.44
2016	-660565107.80	1542727406.80	-42.81
2017	-460397731.51	802640650.30	-57.36
2018	-481596483.64	886123762.25	-54.34
2019	-624467291.14	893474545.00	-69.89

Analysis:
The net profit ratio is -18.44% and -42.81% in the 2015 and 2016 than it is decrease in the 2017, 2018 and 2019 is -57.36%, -54.34% and -69.89% the company get loss.

Interpretation:
The above graph indicates that in the 2015, 2016, 2017, 2018 and 2019 the company suffering from losses.

4.7 CAPITAL TURNOVER RATIO

$$\text{Capital Turnover Ratio} = \frac{\text{Sales}}{\text{Capital Employed}}$$

Year	Sales	Capital Employed	Capital Turnover Ratio
2015	1458140259.74	256931963.00	5.67
2016	15427274068.80	257291234.00	5.99
2017	802640650.30	257962867.00	3.11
2018	886123762.25	259509601.00	3.41
2019	893474545.00	260602812.00	3.42

Analysis:
In the 2015 and 2016 the capital turnover ratio is 5.67% and 5.99% later it has been decreased 3.11% and 3.41% in 2017 and 2018. In the 2019 the ratio is 3.42%.

Interpretation:
In the graph it shows that the company's capital turnover ratio in the 2016 the ratio is standard than it is decrease in the next year in the 2018 and 2019 it is increased.

4.8 RAW MATERIAL COST RATIO

$$\text{Raw Material Cost Ratio} = \frac{\text{Direct Raw Material Cost}}{\text{Net Sales (100)}}$$

Year	Direct Raw Material Cost	Net Sales	Raw Material Cost Ratio
2015	1336492028.86	1458140259.74	91.65
2016	969821359.74	1542727406.80	62.86
2017	680164501.41	802640650.30	84.74
2018	1259114628.16	886123762.25	142.09
2019	1049312655.96	893474545.00	117.44

Analysis:
In above table shows that raw material coat ratio is 91.65% in the 2015. Later it has been decreased 62.86% in 2016 than it increased 84.74% and 142.09 in 2017 and 2018. 117.44% in 2019.

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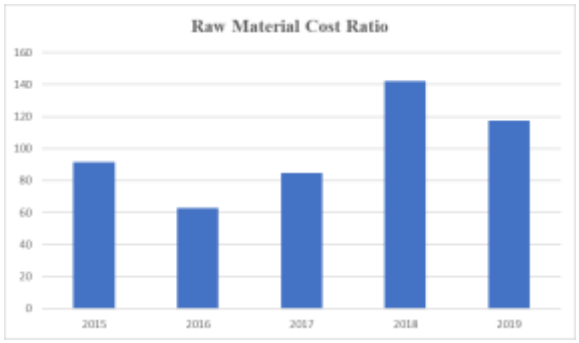


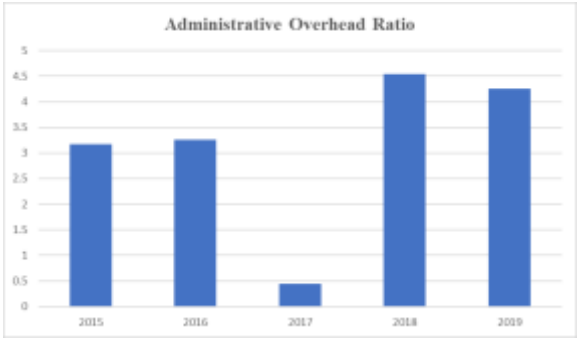
Interpretation:
The raw material cost of ratio is shows in the above graph in the 2018 the ratio is increased than in the next it decrease.

4.9 ADMINISTRATIVE OVERHEAD RATIO

$$\text{Administrative Overhead Ratio} = \frac{\text{Administrative overhead exp}}{\text{Net Sales (100)}}$$

Year	Administrative overhead exp	Net Sales	Administrative Overhead Ratio
2015	46340902.05	1458140259.74	3.17
2016	50419287.37	1542727406.80	3.26
2017	3581941.32	802640650.30	0.44
2018	40237397.53	886123762.25	4.54
2019	38021348.20	893474545.00	4.25

Analysis:
in the year 2015 and 2016 the administrative overhead ratio is 3.17% and 3.26% but in the 2017 it is decreased 0.44% than it increased 4.54% and 4.25% in 2018 and 2019.



Interpretation:
the above graph indicates that the company's administrative overhead ratio in the 2015 and 2016 the ratio is 3.17% and 3.27% than in 2017 it is decrease in 2018 and 2019 it is increased.

4.10 FIXED ASSETS TO SHARE CAPITAL RATIO

$$\text{Fixed Assets To Share Capital Ratio} = \frac{\text{Fixed Assets}}{\text{Share Capital}}$$

Year	Fixed Assets	Share Capital	Fixed Assets to Share Capital Ratio
2015	258568750.00	3401624156.33	0.07
2016	257204431.53	3401020054.15	0.07
2017	255915032.86	257962867.00	0.09
2018	228860112.23	259509601.00	0.93
2019	243398074.92	260602812.00	0.87

Analysis:
in the 2015, 2016 and 2017 the fixed asset to share capital ratio is 0.07%, 0.07% and 0.09% in the 2018 and 2019 the ratio is increased little bit 0.93% and 0.87%.

Interpretation:
The above graph shows that the fixed asset to share capital ratio in 2015 to 2017 has been slightly changes and in 2018 and 2019 it will be increased.

V. FINDINGS

- The company current ratio is higher in the 2015 but it increasing year to year.
- It I found that the quick ratio is increasing and decreasing from 2015 to 2019.
- The fixed asset turnover ratio is increased in 2015band 2016 but in the 2017 it is rapidly decreased.
- Gross loss and net loss of the company shows that it is increasing year to year.
- It is found that the raw material cost of the company increasing year to year.
- In the recent year 2018 and 2019 the administrative overhead expenses are increased.
- In the 2015, 2016, and 2017 the fixed asset to share capital ratio is slightly changes but in the 2018 and 2019 it is increased rapidly.
- The total assets of the company are fluctuating year to year.
- It is found that from the company is suffering from gross loss.

VI. SUGGESTIONS

- The company needs to improve the current assets and current liabilities.
- The company should increase the sales, and reducing the wasting on transportation expenses.
- The company should try to increase their capital assets and the fixed assets for increasing the fixed assets turnover ratio.
- The quick ratio is fluctuating year to year so that the company should set the standard of a ratio.
- In the 2017 the fixed assets turnover ratio is decreased 0.31% so the company should increase their sales.
- In the 2016 the company position is good the total asset turnover ratio is also good but in 2017, 2018, and 2019 the ratio is decreased so that the company should maintain their position.
- The company should improve their gross profit and net profit.
- The company should take necessary steps to control administrative overhead and selling expenses.

CONCLUSION

The study on 'Ratio analysis' it was an interesting study. It is based on financial statement. Through this ratio to analyse the company (Naranja Sahakari Sakkare Karkhane. ltd. Bidar) balance sheet, trading account and profit and loss account to know the company position in the market. The study mainly based on different types of ratios. In the project analysing the five years financial statement analysis. Analysing the financial statement through using the ratios and using the graphs. This project helps to me to learn new things and to know the organisation work. How they are achieve their goals.

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