



A STUDY ON FINANCIAL PERFORMANCE OF INDIAN SOFTWARE COMPANIES

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Abstract

The sales turnover of Tech Mahindra Ltd has the highest annual growth rate and compounded annual growth rate compare to the other companies taken into account. At the same time, Tech Mahindra Ltd is having the highest annual growth rate and compounded annual growth rate in total income. Tech Mahindra Ltd is having the highest annual growth rate and linear annual growth rate. Tech Mahindra Ltd has achieved the highest overall growth of net profit during the period of study followed by HCL Tech Ltd and TCS Ltd. Tech Mahindra Ltd is having the highest annual growth rate and compounded annual growth rate in net profit margin. All the companies considered for the study are having an increasing trend of current ratio during the period of study. HCL Tech Ltd has the highest annual growth rate of current ratio Linear annual growth rate is the highest for Infosys Ltd, but HCL Tech Ltd is having the highest overall growth of current ratio, as indicated by compounded annual growth rate. HCL Tech Ltd has the highest annual growth rate and compounded annual growth rate of quick ratio during the period of study. Wipro Ltd has consistent return on assets during the period of study. Tech Mahindra Ltd has earned higher return on assets than other companies as indicated by the growth rates. HCL Tech Ltd has earned higher return on net worth than other companies as indicated by positive linear annual growth rate and compounded annual growth rate. TCS Ltd has earned the highest average return on long term funds. HCL Tech Ltd has the highest annual growth, positive trend and overall growth of return on long term funds.

Key Words: *Annual Growth Rate, Compound Annual Growth Rate, Financial Performance, Indian Software Companies.*

1. INTRODUCTION

Finance is regarded as the life blood of a business enterprise. This is because in the modern money-oriented economy, finance is one of the basic foundations of all kinds of economic activities. It is the master key which provides access to all the sources for being employed in manufacturing and merchandising activities. The business needs money to make more money. However, it is also true that money begets more money, only when it is properly managed. Hence efficient management of every business enterprise is closely linked with efficient management of its finances.

Financial management is concerned with the managerial decisions that result in the acquisition and financing of long-term and short-term credits for the firm. As such it deals with the situations that require selection of specific assets (or combination of assets), the selection of liability (or combination of liabilities) as well as the problem of size and growth of an enterprise. The analysis these decisions is based on the expected inflows and outflows of funds and their effects upon managerial objectives.

The financial management helps in monitoring the effective deployment of funds in fixed assets and in working capital. The finance manager estimates the total requirements of funds, both in short period and the long period. The finance manager assesses the financial position of the company through the working out of the return on capital, debit-equity ratio, cost of capital from each source, etc., and comparison of the capital structure with that of similar companies.

Financial management also helps in ascertaining how the company would perform in future. It helps in indicating whether the firm will generate enough funds to meet its various obligations like repayment of the various installments due on loans, redemption of other liabilities and so on. Sound financial management is indispensable for any organization. It helps in profit planning, capital spending, measuring costs, controlling inventories and accounts receivable. Therefore, the present research aims to study the financial performance of Indian software companies.

2. METHODOLOGY

The five top ranking companies such as Tata Consultancy Services (TCS) Ltd., Infosys Ltd., Wipro Ltd., Tech Mahindra Ltd., and HCL Technologies Ltd. have been selected for the present study. The present study depends on secondary data. The relevant secondary data have been collected from the official website of Bombay Stock Exchange (BSE), financial database of corporate companies maintained by the Centre for Monitoring Indian Economy (CMIE) and its publications, research publications and related national and international journals. The data have been collected for the period of 2005 to 2014. In order to accomplish the objectives, mean, standard deviation, co-efficient of variation, annual growth rate, linear annual growth rate and compounded annual growth rate have been worked out.

3. RESULTS AND DISCUSSION

3.1. Sales Turnover

The sales turnover of Indian software companies was analyzed and the results are presented in Table-1. The average, turn-over during the period of study is Rs.27, 944.81 Crores in the case of TCS Ltd. Rs.22383.37 Crores for Infosys Ltd. Rs.22354.31 Crores for Wipro Ltd. Rs.6733.47 Crores for HCL Technologies Ltd. and Rs.4982.45 Crores in the case of Tech Mahindra Ltd. The analysis of standard deviation of sales turnover of the companies also reveals the same trend. The coefficient of variation of the sales turnover of the companies reveals that the sales turnover of Tech Mahindra Ltd is widely dispersed followed by HCL Technologies Ltd. TCS Ltd. Infosys Ltd. and Wipro Ltd. In other words sales turnover of Wipro Ltd shows less variation compared to other companies. The average sales turnover during the period of study is the highest for TCS Ltd (Rs.27944.81 Crores) and the lowest for the Tech Mahindra Ltd with a mean value of Rs.4982.45 Crores.

The annual growth rate shows the average percentage increase in sales turnover is found to be highest for Tech Mahindra Ltd with an AGR of 46.31 % compares to other companies. Wipro Ltd is found to have the lowest AGR of 20.96 % during the period of study. On an overall basis AGR of the above companies ranges from 20% to 50%.

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Table-1. Sales Turnover (Rs. in Crores)

Year	TCS	Infosys	Wipro	Tech Mahindra	HCL Tech
2005	8051.10	6859.66	7276.18	922.34	1447.01
2006	11236.01	9028.00	10264.09	1197.14	3032.92
2007	14942.09	13149.00	13758.50	2753.22	3768.62
2008	18536.55	15648.00	17658.10	3604.70	4615.39
2009	22404.00	20264.00	21612.80	4357.80	4675.09
2010	23044.84	21140.00	23006.30	4483.80	5078.76
2011	29275.68	25385.00	26300.50	4965.50	6794.48
2012	38858.79	31254.00	31682.90	5243.00	8907.22
2013	48426.14	36765.00	33226.50	6001.90	12517.82
2014	64672.93	44341.00	38757.20	16295.10	16497.37
Mean	27944.81	22383.37	22354.31	4982.45	6733.47
S.D	17877.88	12168.70	10329.54	4312.81	4659.68
C.V	63.98	54.36	46.21	86.56	69.20
AGR (%)	26.47	23.50	20.96	46.31	33.72
LAGR(b)	5590.12	3952.14	3400.05	1143.31	1421.10
CAGR (%)	23.75	21.73	19.00	28.47	25.42

The linear annual growth rate (LAGR) shows that on an average there has been a growth rate of Rs.5590.12 Crores for TCS Ltd. during the period of study. The lowest trend is found for Tech Mahindra Ltd with a growth rate of Rs.1143.31 Crores. The compounded annual growth rate (CAGR) is the highest for Tech Mahindra Ltd with a growth rate of 28.47% and the lowest for Wipro Ltd with a growth rate of 19%. It could be inferred that the average sales turnover is the lowest for Tech Mahindra Ltd. However, it has the highest annual growth rate and compounded annual growth rate compare to the other companies.

3.2. Total Income

The total income of Indian software companies are was analyzed and the results are presented in Table-2. The average (Mean) of the total income is Rs.28818.04 Crores in the case of TCS Ltd. Rs.23501.55 Crores for Infosys Ltd. Rs.22954.29 Crores for Wipro Ltd. Rs.6946.06 Crores for HCL Tech Ltd. and Rs.4909.70 Crores for Tech Mahindra Ltd. The Standard Deviation of total income of the companies indicates wide variation of total income of TCS Ltd, while the coefficient of variation of total income is the highest in the case of Tech Mahindra Ltd.

The annual growth rate of total income is found to be the highest for Tech Mahindra Ltd followed by HCL Tech Ltd, while Wipro Ltd. is having the lowest annual growth rate during the period under consideration. The annual growth rate of total

income ranges from 24% to 45%. The linear annual growth rate (LAGR) shows the total income of TCS Ltd. has a growth of Rs.5942.75 Crores followed by Infosys Ltd. with a growth of Rs.4244.47 Crores, while Tech Mahindra Ltd. shows the lowest linear annual growth rate.

Table-2. Total Income (Rs. in Crores)

Year	TCS	Infosys	Wipro	Tech Mahindra	HCL Tech
2005	7898.45	7032.45	7335.77	876.55	1508.55
2006	11233.45	9172.00	10403.25	1224.58	3033.60
2007	15153.22	13528.00	14058.90	2233.46	4208.04
2008	18974.13	16331.00	18006.50	3252.90	4506.48
2009	21947.41	20766.00	21023.10	4296.10	4766.58
2010	23225.17	22107.00	23899.70	4542.30	5110.80
2011	29760.98	26532.00	27012.80	5073.90	7070.23
2012	41543.46	33567.00	32865.40	5205.10	9182.23
2013	50656.53	39063.00	34570.00	5906.70	12982.37
2014	67787.64	46917.00	40367.50	16485.40	17091.74
Mean	28818.04	23501.55	22954.29	4909.70	6946.06
S.D	19053.54	13071.69	10865.57	4414.25	4839.97
C.V	66.12	55.62	47.34	89.91	69.68
AGR (%)	27.48	23.92	21.35	45.82	33.46
LAGR (b)	5942.75	4244.47	3578.07	1174.68	1471.49
CAGR (%)	24.64	22.35	19.46	29.80	25.40

The compounded annual growth rate (CAGR) is the highest for Tech Mahindra Ltd. and the lowest for Wipro Ltd. It could be inferred that Tech Mahindra Ltd. is having the lowest total income and it is widely dispersed. But at the same time, Tech Mahindra Ltd. is having the highest annual growth rate and compounded annual growth rate.

3.3. Total Expenses

The total expenses of Indian software companies were analyzed and the results are presented in Table-3. The average of the total expenses is the highest for TCS Ltd. with a mean value of Rs.19567.67 Crores followed by Wipro Ltd with an average of 17403.60 Crores, while Tech Mahindra Ltd. is having the lowest mean value of total expenses (Rs.3893.17 Crores). The coefficient of variation of the total expenses of the companies reveals that the total expenses of Tech Mahindra Ltd is widely dispersed followed by TCS Ltd, HCL Ltd, Infosys Ltd and Wipro Ltd. It is further made clear that the total expenses of Wipro Ltd shows less variation during the period of study.

Table-3. Total Expenses (Rs. in Crores)

Year	TCS	Infosys	Wipro	Tech Mahindra	HCL Tech
2005	5642.65	4533.46	5387.21	747.81	1090.48
2006	7897.23	6038.00	7767.44	939.61	2223.16
2007	10635.70	8923.00	10515.70	2032.34	2831.54
2008	13508.07	10684.00	13964.00	2765.30	3388.43
2009	16382.82	13356.00	16744.80	3107.50	3285.42
2010	16375.90	13778.00	17531.50	3390.30	3582.59
2011	20502.72	16971.00	20571.20	4014.80	5387.59
2012	27472.56	21193.00	25595.00	4376.70	6371.15
2013	34119.87	25750.00	26311.20	4823.50	7919.26
2014	43139.21	31814.00	29647.90	12733.80	9121.73
Mean	19567.67	15304.05	17403.60	3893.17	4520.14
S.D	12007.78	8750.91	8187.89	3391.04	2592.33

C.V	61.37	57.18	47.05	87.10	57.35
AGR (%)	25.86	24.66	21.58	44.57	29.45
LAGR (b)	3795.08	2812.98	2691.86	914.03	825.13
CAGR (%)	23.29	22.46	19.61	28.99	22.54

The annual growth rate (AGR) of total expenses is found to be highest for Tech Mahindra Ltd with an AGR of 44.57%, while Wipro Ltd. is having the lowest annual growth rate of total expenses. The linear annual growth rate (LAGR) indicates that TCS Ltd is having the highest growth rate of Rs.3795.08 Crores in total expenses, followed by Infosys Ltd with linear annual growth rate of Rs.2812.98 Crores. The total expenses of HCL Tech Ltd is having the lowest trend with linear annual growth rate of 825.13 Crores.

The compounded annual growth rate (CAGR) of total expenses of the companies indicates that the average growth is highest in the case of Tech Mahindra Ltd. followed by HCL Tech Ltd., while Wipro Ltd is having the lowest average growth in total expenses. It could be concluded that average of the total expenses is highest for TCS Ltd. while Tech Mahindra Ltd. is having highest annual growth rate and linear annual growth rate.

3.4. Net Profit

The net profit of Indian software companies are was analyzed and the results are presented in Table-4.

Table-4. Net Profit (Rs. in Crores)

Year	TCS	Infosys	Wipro	Tech Mahindra	HCL Tech
2005	1831.42	1904.38	1494.82	71.09	329.27
2006	2716.87	2421.00	2020.48	220.12	638.38
2007	3757.29	3783.00	2842.10	65.23	1101.82
2008	4508.76	4470.00	3063.30	325.70	780.65
2009	4696.21	5819.00	2973.80	986.60	997.31
2010	5618.51	5803.00	4898.00	742.80	1056.58
2011	7569.99	6443.00	4843.70	696.70	1198.28
2012	10975.98	8470.00	4685.10	460.60	1950.42
2013	12786.34	9116.00	5650.20	652.50	3704.72
2014	18474.92	10194.00	7387.40	2685.50	5984.62
Mean	7293.63	5842.34	3985.89	690.68	1774.21
S.D	5264.38	2794.01	1815.03	764.03	1756.04
C.V	72.18	47.82	45.54	110.62	98.98
AGR (%)	30.13	21.49	21.37	114.44	44.30
LAGR (b)	1615.01	914.00	575.28	178.20	472.23
CAGR (%)	26.46	19.58	17.03	37.10	29.46

The mean (average) of the net profit is the highest in the case of TCS Ltd, followed by Infosys Ltd. with a mean of Rs.5842.34 Crores. The standard deviation of net profit shows wide variation between the companies and also between the years. The Tech Mahindra Ltd. is having the highest coefficient of variation which indicates that the net profit of the company is widely dispersed over the years. Wipro Ltd is having the lowest coefficient of variation which reveals that the net profit of Wipro Ltd does not show much variation over the years.

The annual growth rate is the highest for Tech Mahindra Ltd followed by HCL Tech Ltd and Wipro Ltd. is having the lowest annual growth rate. It could also be seen that TCS Ltd. is having a growing trend of net profit since the linear annual growth rate is the highest at Rs.1615.01 Crores compare to other companies and Tech Mahindra Ltd. is having the lowest linear annual growth rate.

It is revealed that the overall growth of net profit during the period of study is the highest in the case of Tech Mahindra Ltd. which has a compounded annual growth rate of 37.10%, followed by HCL Tech Ltd. while Wipro Ltd is having the lowest

overall growth of net profit with compounded annual growth rate of 17.03%. It could be concluded that Tech Mahindra Ltd. has achieved the highest overall growth of net profit during the period of study followed by HCL Tech Ltd and TCS Ltd.

3.5. Net Profit Margin

The net profit margin of Indian software companies are was analyzed and the results are presented in Table-5.

Table-5. Net Profit Margin (In Percentage)

Year	TCS	Infosys	Wipro	Tech Mahindra	HCL Tech
2005	22.63	27.28	20.45	7.66	22.36
2006	24.05	26.17	19.53	18.20	21.00
2007	25.00	28.05	20.34	2.35	29.11
2008	24.11	27.37	17.19	9.01	16.68
2009	20.74	27.52	13.53	22.54	20.63
2010	24.13	26.36	20.97	16.43	20.18
2011	25.42	24.28	17.95	13.95	17.21
2012	26.42	25.60	14.23	8.75	21.18
2013	25.24	23.38	16.35	11.04	28.72
2014	27.25	21.72	17.52	16.40	19.83
Mean	24.50	25.77	17.81	12.63	21.69
S.D	1.86	2.05	2.58	5.97	4.19
C.V	7.58	7.97	14.51	47.25	19.30
AGR (%)	2.42	-2.36	0.53	53.26	2.70
LAGR (b)	0.39	-0.56	-0.42	0.42	-0.04
CAGR (%)	1.59	-2.22	-2.31	6.84	-0.25

The average net profit margin (Mean) is the highest in the case of Infosys Ltd. followed by TCS Ltd. while Tech Mahindra Ltd. is having the lowest mean value of net profit margin during the period of study. It could further be observed that net profit of Tech Mahindra Ltd. is widely dispersed over the period of 10 years than the other companies taken into account. It could also be seen that Tech Mahindra Ltd. is having the highest annual growth rate of net profit margin and also the compounded annual growth rate. It is clear that Tech Mahindra Ltd. and TCS Ltd. are only having positive linear annual growth rate while the other companies are having negative linear annual growth rate.

3.6. Current Ratio

The current ratio of Indian software companies are was analyzed and the results are presented in Table-6.

Table - 6. Currant Ratio

Year	TCS	Infosys	Wipro	Tech Mahindra	HCL Tech
2005	1.51	2.80	1.47	2.11	0.81
2006	2.19	2.75	1.42	1.32	0.99
2007	1.93	4.96	1.68	1.40	1.41
2008	1.98	3.30	2.54	1.51	1.12
2009	1.83	4.71	1.10	1.90	1.50
2010	1.49	4.28	1.33	1.50	1.92
2011	2.45	5.34	1.72	1.58	1.95
2012	2.48	4.91	1.94	0.98	1.38
2013	2.85	4.75	1.55	0.95	1.82
2014	3.18	3.70	1.95	2.11	2.10
Mean	2.19	4.15	1.67	1.54	1.50
S.D	0.55	0.95	0.40	0.41	0.44
C.V	25.30	22.79	24.19	26.69	29.35
AGR (%)	11.31	7.78	8.68	7.52	13.96
LAGR (b)	0.14	0.17	0.03	-0.03	0.12
CAGR (%)	6.40	4.73	1.77	-2.51	9.28

All the companies show an increasing trend of current ratio during the period of study. It is seen that mean value of current ratio is the highest for Infosys Ltd followed by TCS Ltd. Wipro Ltd. Tech Mahindra Ltd and HCL Tech Ltd. The current ratio of Infosys Ltd. shows much deviation over the years, compared to other companies. The coefficient of variation shows that the current ratio of HCL Tech Ltd. is widely dispersed followed by Tech Mahindra Ltd. and TCS Ltd while the current ratio of Infosys Ltd. shows the least variation during the period of study.

The annual growth rate of current ratio is the highest for HCL Tech Ltd. followed by TCS Ltd. while Tech Mahindra Ltd. is having the lowest annual growth rate of current ratio. The linear annual growth rate reveals that Infosys Ltd. is having the highest growth followed by TCS Ltd. and HCL Tech Ltd. It is further revealed that HCL Tech Ltd. is having the highest overall growth of current ratio followed by TCS Ltd. and Infosys Ltd. which is indicated by the compounded annual growth rate.

3.7. Quick Ratio

The quick ratio of Indian software companies are was analyzed and the results are presented in Table-7.

Table -7. Quick Ratio

Year	TCS	Infosys	Wipro	Tech Mahindra	HCL Tech
2005	1.77	2.77	1.45	2.10	0.80
2006	2.22	2.73	1.40	1.32	0.98
2007	1.98	4.91	1.61	1.54	1.39
2008	1.97	3.28	2.44	1.67	1.06
2009	1.83	4.67	1.76	1.88	1.71
2010	1.48	4.20	2.26	2.14	2.19
2011	2.44	5.28	2.22	2.49	1.84
2012	2.47	4.88	2.50	1.23	1.42
2013	2.88	4.69	2.02	1.32	1.76
2014	3.16	3.65	2.59	2.04	2.05
Mean	2.22	4.11	2.03	1.77	1.52
S.D	0.52	0.93	0.44	0.42	0.47
C.V	23.51	22.76	21.92	23.84	30.81
AGR (%)	8.92	7.73	9.28	4.67	14.62
LAGR (b)	0.13	0.16	0.11	0.00	0.12
CAGR (%)	5.33	4.69	6.22	-0.03	9.24

The average (mean) value of quick ratio is the highest for Infosys Ltd. followed by TCS Ltd. while HCL Tech Ltd is having the lowest mean value. The Standard deviation makes it clear that the quick ratio of Infosys Ltd shows wide variation than that of other companies taken for study. It could further be seen that quick ratio of HCL Tech Ltd is very widely dispersed in comparison to other companies.

The annual growth rate of quick ratio shows that HCL Tech Ltd is having the highest percentage increase followed by Wipro Ltd. while Tech Mahindra Ltd is having the lowest increase. It is further revealed that the compounded annual growth rate is also the highest in the case of HCL Tech Ltd followed by Wipro Ltd.

3.8. Return on Assets

The return of assets of Indian software companies are was analyzed and the results are presented in Table-8.

Table-8. Return on Assets (In Percentage)

Year	TCS	Infosys	Wipro	Tech Mahindra	HCL Tech
2005	69.17	193.73	69.54	47.46	89.59
2006	114.64	250.29	45.03	53.17	79.64
2007	82.35	195.41	63.86	72.43	51.61
2008	111.43	235.84	79.05	101.22	48.22
2009	136.38	310.90	85.42	154.51	52.04
2010	76.72	384.02	120.49	234.34	72.69
2011	99.53	426.73	86.86	268.67	85.06

2012	126.49	518.21	99.04	270.08	95.25
2013	165.86	627.95	98.38	326.45	146.84
2014	224.90	736.64	130.27	367.86	279.18
Mean	120.75	387.97	87.79	189.62	100.01
S.D	46.91	188.71	25.67	118.71	69.23
C.V	38.85	48.64	29.24	62.60	69.22
AGR (%)	19.45	17.15	10.81	26.78	18.67
LAGR (b)	11.43	59.33	7.00	38.59	15.31
CAGR (%)	9.14	16.59	8.82	28.25	12.62

The average (Mean) of the return on assets is 387.97% in the case of Infosys Ltd, 189.62% for Tech Mahindra Ltd. 120.75% for TCS Ltd. 100.01% for HCL Tech Ltd. and 87.79% for Wipro Ltd. It is clear that return on assets of Infosys Ltd shows a very wide variation over the years followed by Tech Mahindra Ltd. The return on assets of Wipro Ltd. shows the least variation over the period of study in comparison to other companies, which otherwise indicates that the return on assets of Wipro Ltd shows consistency over the period of study. The table reveals further that return on assets of HCL Tech Ltd. is widely dispersed over the years followed by Tech Mahindra Ltd.

The annual growth rate of return on assets is found to be the highest for Tech Mahindra Ltd. followed by TCS Ltd. while Wipro Ltd. is having the lowest annual growth rate of return on assets. The annual growth rate of return on assets is in the range of 10.8% to 26.8%. The linear annual growth rate of return on assets is the highest for Infosys Ltd. which indicates that Infosys Ltd. is having an increasing trend over the years. It is clear that the overall growth of return on assets is the highest for Tech Mahindra Ltd followed by Infosys Ltd. while Wipro Ltd shows the lowest overall growth of return on assets. It could be inferred that Tech Mahindra Ltd. has earned higher return on assets during the period of study which has been clearly revealed by growth rates.

3.9. Return on Net Worth

The return of net worth of Indian software companies are was analyzed and the results are presented in Table-9.

Table-9. Return on Net Worth (in Percentage)

Year	TCS	Infosys	Wipro	Tech Mahindra	HCL Tech
2005	60.93	35.29	30.33	25.24	10.16
2006	50.28	36.21	31.39	33.69	25.01
2007	45.04	33.47	30.50	68.32	19.80
2008	39.16	33.09	26.51	55.24	29.64
2009	41.06	34.76	31.34	56.10	30.52
2010	37.75	25.89	25.24	24.28	22.16
2011	38.80	26.29	22.71	17.96	20.45
2012	44.24	26.83	19.23	14.62	29.53
2013	39.32	25.05	23.31	15.60	35.29
2014	41.87	24.21	24.87	27.23	33.30
Mean	43.85	30.11	26.54	33.83	25.59
S.D	7.08	4.82	4.21	19.17	7.60
C.V	16.16	16.02	15.87	56.65	29.71
AGR (%)	-3.56	-3.66	-1.23	10.95	22.35
LAGR (b)	-1.56	-1.46	-1.09	-3.16	1.78
CAGR (%)	-3.16	-4.77	-4.07	-9.58	8.63

The average of the return on net worth (Mean) is the highest in the case of TCS Ltd, followed by Tech Mahindra Ltd and Infosys Ltd, while HCL Tech Ltd is having lowest mean value. The return on net worth of Tech Mahindra Ltd. shows wide variation over the years while that of Wipro Ltd. remains consistent over the years. It could further be seen that return on net worth of Tech Mahindra Ltd. is widely dispersed than that of other companies. It is revealed that HCL Tech Ltd. , is having the highest average percentage increase in return on net worth followed by Tech Mahindra Ltd which is indicated by annual growth rate.

It could also be seen that HCL Tech Ltd. is the only company having positive trend of return on net worth over the years, which is shown by linear annual growth rate. It could be observed that HCL Tech Ltd. is the only company having positive overall growth in return on net worth which is revealed by compounded annual growth rate. It could be concluded that HCL Tech Ltd. has earned highest return on net worth than the other companies.

3.10. Return on Long Term Funds

The return of long term funds of Indian software companies are was analyzed and the results are presented in Table-10.

Table-10. Return on Long Term Funds (In Percentage)

Year	TCS	Infosys	Wipro	Tech Mahindra	HCL Tech
2005	69.49	41.52	35.61	30.65	10.63
2006	55.97	40.62	35.87	38.82	26.16
2007	50.12	36.64	33.31	78.53	22.35
2008	42.96	37.77	23.32	63.15	33.10
2009	43.27	39.80	37.17	61.76	36.88
2010	42.46	33.69	30.12	21.57	21.71
2011	44.45	36.00	25.11	18.07	20.74
2012	53.63	37.28	24.56	18.14	34.47
2013	48.19	34.03	31.11	20.66	42.05
2014	53.39	33.26	31.60	37.29	40.68
Mean	50.39	37.06	30.78	38.86	28.88
S.D	8.33	2.92	4.99	21.73	10.15
C.V	16.53	7.89	16.22	55.91	35.14
AGR (%)	-2.15	-2.16	1.49	13.40	25.60
LAGR (b)	-1.08	-0.78	-0.70	-3.30	2.36
CAGR (%)	-1.80	-2.07	-2.15	-8.57	9.94

The average (mean) of the return on long term funds is 50.39% in the case of TCS Ltd. 38.86% for Tech Mahindra Ltd. 37.06% for Infosys Ltd. 30.78% for Wipro Ltd. and 28.88% for HCL Tech Ltd. The return on long term funds of Tech Mahindra Ltd. shows a wide variation over the years while that of Infosys Ltd. shows the least variation. It could also be observed that return on long term funds of Tech Mahindra Ltd. are widely dispersed over the years. Further it could be seen that HCL Tech Ltd. is having the highest annual growth of the return on long term funds, followed by Tech Mahindra Ltd. The above table shows that average of the return on long term funds is 50.39% in the case of TCS Ltd. 38.86% for Tech Mahindra Ltd. 37.06% for Infosys Ltd. 30.78% for Wipro Ltd. and 28.88% for HCL Tech Ltd. The return on long term funds of Tech Mahindra Ltd. shows a wide variation over the years while that of Infosys Ltd. shows the least variation. It could also be observed from the tables that return on long term funds of Tech Mahindra Ltd. are widely dispersed over the years. Further it could be seen that HCL Tech Ltd. is having the highest annual growth of the return on long term funds, followed by Tech Mahindra Ltd.

The above table reveals further that HCL Tech Ltd. is having a positive trend and overall growth of the return on long term funds which is indicated by the linear and compounded annual growth rates. It could be inferred from the above analysis that HCL Tech Ltd. has earned a higher return on long term funds than the other companies, during the period of study.

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4. CONCLUSION

The average sales turnover during the period of study is the highest for TCS Ltd and the lowest for Tech Mahindra Ltd. But Tech Mahindra Ltd has the highest annual growth rate and compounded annual growth rate compare to the other companies taken into account. The annual growth rate of total incomes of the companies considered for the study ranges between 24% and 45%. Tech Mahindra Ltd is having the lowest total income during the period of study and it is widely dispersed. At the same time Tech Mahindra Ltd is having the highest annual growth rate and compounded annual growth rate.

The total expenses of Tech Mahindra Ltd is widely dispersed during the period of study, while the total expenses of Wipro Ltd shows less variation during the period of study. The average of the total expenses is the highest for TCS Ltd, while Tech Mahindra Ltd is having the highest annual growth rate and linear annual growth rate. The mean (average) of the net profit is the highest in the case of TCS Ltd followed by Infosys Ltd. The standard deviation of net profit reveals the existence of wide variation between the companies and also between the years. Tech Mahindra Ltd has achieved the highest overall growth of net profit during the period of study followed by HCL Tech Ltd and TCS Ltd.

The average net profit margin (net profit as percentage of sales) is the highest for Infosys Ltd, while it is the lowest for Tech Mahindra Ltd. At the same time Tech Mahindra Ltd is having the highest annual growth rate and compounded annual growth rate. Tech Mahindra Ltd is also having positive linear annual growth rate of net profit margin. All the companies considered for the study are having an increasing trend of current ratio during the period of study. Infosys Ltd has the highest mean value of current ratio and it shows much deviation over the years. HCL Tech Ltd has the highest annual growth rate of current ratio. Linear annual growth rate is the highest for Infosys Ltd. But HCL Tech Ltd is having the highest overall growth of current ratio, as indicated by compounded annual growth rate.

The mean value of quick ratio is the highest for Infosys Ltd followed by TCS Ltd, and the quick ratio of Infosys Ltd shows wide variation than other companies. HCL Tech Ltd has the highest annual growth rate and compounded annual growth rate of quick ratio during the period of study, followed by Wipro Ltd. Infosys Ltd has average return on assets of 387.97%, which is the highest among the companies taken for study. Wipro Ltd has consistent return on assets during the period of study. Tech Mahindra Ltd has earned higher return on assets during the period of the study. Tech Mahindra Ltd has earned higher return on assets than other companies as indicated by the growth rates.

The average return on net worth is the highest in the case of TCS Ltd followed by Tech Mahindra Ltd. The return on net worth of Tech Mahindra Ltd varies over the years and widely dispersed. HCL Tech Ltd has earned higher return on net worth than other companies as indicated by positive linear annual growth rate and compounded annual growth rate. TCS Ltd has earned the highest average return on long term funds. Return on long term funds of Tech Mahindra Ltd is widely dispersed. HCL Tech Ltd has the highest annual growth, positive trend and overall growth of return on long term funds.

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