



A STUDY ON FINANCIAL PERFORMANCE OF SELECTED LARGE-CAP COMPANIES OF INDIA

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Abstract

Financial performance is the blue print of the financial affairs of a concern and reveals how a business has proposed under the leadership of its management. Organization can always be judged in the lights of light of its objectives and the main objective of a business is to earn profit and to enlarge profit by making the most efficient use of the resources available to them. It is very important to know the financial performance of companies.

In this research paper an attempt has been made to examine the financial performance of selected large-cap companies of India.

INTRODUCTION

Financial performance is the blue print of the financial affairs of a concern and reveals how a business has proposed under the leadership of its management personnel performance of any organization can always be judged in the lights of light of its objectives and the main objective of a business is to earn profit and to enlarge profit by making the most efficient use of the resources available to them. The Indian public sector did run with the object of maximizing profits. They were making due contribution towards the fulfillment of socio-economic objectives lay down by the government.

The term ‘financial performance analysis also known as analysis and interpretation of financial statements’, refers to the process of determining financial strength and weaknesses of the firm by establishing strategic relationship between the items of the balance sheet, profit and loss account and other operative data. “Financial performance analysis is a process of evaluating the relationship between component parts of a financial statement to obtain a better understanding of a firm’s position and performance. The purpose of financial analysis is to diagnose the information contained in financial statements so as to judge the profitability and financial soundness of the firm. Just like a doctor examines his patient by recording his body temperature, blood pressure etc. Before making his conclusion regarding the illness and before giving his treatment. A financial analyst analyses the financial statements with various tools of analysis before commenting upon the financial health or weaknesses of an enterprise. The analysis and interpretation of financial statements is essential to bring out the mystery behind the figures in financial statements.

LITERATURE REVIEW

Financial performance analysis is vital for the triumph of an enterprise. Financial performance analysis is an appraisal of the feasibility, solidity and fertility of a business, sub-business or mission. Altman and Eberhart (1994) reported the use of neural network in identification of distressed business by the Italian central bank. Using over 1,000 sampled firms with 10 financial ratios as independent variables, they found that the classification of neural networks was very close to that achieved by discriminant analysis. They concluded that the neural network is not a clearly dominant mathematical technique compared to traditional statistical techniques.

Gepp and Kumar (2008) incorporated the time “bias” factor into the classic business failure prediction model. Using Altman (1968) and Ohlson’s (1980) models to a matched sample of failed and non-failed firms from 1980’s, they found that the predictive accuracy of Altman’s model declined when applied against the 1980’s data. The findings explained the importance of incorporating the time factor in the traditional failure prediction models. Mr. Devendrakumar S Gandhi Dr. Pramod Kumar published a book in 1991, “Analysis of Financial statements of Indian industries.” The study covered the 17 private, 5 state owned and 1 central public sector companies. He studied analysis of activities, assessment of profitability, return on capital investment, Analysis of financial structure, Analysis of fixed assets and working capital. In this research he revealed various problems of cement industries and suggested remedies for the problems. He also suggested for the improvement of profitability and techniques of cost control.

Chakravarty and reddy made study on ratio analysis as major tool for financial performance by studying 22 ratios of productivity, profitability, proprietary, liquidity and turnover groups of the industries for the period from 1961-1971.

Dutts S.K has written an article on “Indian tea industry an appraisal” which was published in management accountant in the year of March 1992. He analyzed the profitability, liquidity and financial efficiency by using various ratios.

Amalendu Bhunia, Sri Somnath Mukhuti and Sri Gautam Roy published a cash study on financial performance analysis on Indian public sector pharmaceutical enterprises in “the journal of social science” in year 2011. The study has been undertaken for the period of twelve years from 1997-98 to 2008-09. He analyze financial performance in terms of liquidity, solvency, profitability and financial efficiency, various accounting ratios have been used. He gave suggestions to overall performance of public sector pharmaceutical industry.

RESEARCH METHODOLOGY

The study is analytical in nature, which is based on secondary data collected from capital line plus. The companies are selected using convenient sampling method total ten companies are selected from the large cap sector. The company which get selected are ICT Ltd, HPCL (Hind Petro),Larsen & Tubro Ltd, Reliance Industries Ltd, Tata Iron and Steel Co. Ltd, Infosys Techno Ltd, Colgate Palmolive India Ltd, BHEL, Mahindra & Mahindra (M&M), Sun Pharma Ltd. appropriate statistical tests have been used to test the hypothesis with the level of significance 5%.

HYPOTHESIS

H₀ = there is no significant difference of financial performance of selected large-cap companies of India

H₁ = there is significant difference of financial performance of selected large-cap companies of India

FINANCIAL PERFORMANCE OF SELECTED LARGE-CAP COMPANIES

1. Net Profit Ratio/Net Profit Margin Ratio

Net profit/ net profit margin ratio monitors the net profit made in relation to sales. This ratio, also known as net operating margin is calculated by dividing the net profit after tax by the amount of sales. Thus, net profit margin ratio can be written as under:

$$\text{Net Profit Margin Ratio} = \frac{\text{Net Profit after Tax}}{\text{Sales}} \times 100$$

In interpreting the net profit margin ratio, it is important to bear in mind that such ratios vary considerably from firm to firm. Firms engaged in retailing are likely to have quite rapid turnover and to operate on low margin allied to high volume, while those firms engaged in selling a few large items must make a high profit in relation to the sales value of each one.

Table No.: 1 Shows the Net Profit Ratio of the Selected Companies (in %)

Year	BHEL	Colgate	HPCL	L & T	Mahindra	Reliance	Sun Pharma	Tata Steel	ITC	Infosys
2004-05	10.02	11.78	2.12	7.48	7.78	11.49	25.37	23.97	28.00	27.28
2005-06	12.49	12.20	0.57	6.87	10.57	11.21	27.45	23.17	22.19	26.82
2006-07	13.94	12.36	1.75	7.97	10.85	10.69	28.04	24.18	21.40	28.77
2007-08	14.67	15.71	1.08	8.7	9.78	14.54	32.17	23.85	21.50	28.57
2008-09	11.80	17.12	0.46	10.27	6.72	10.78	32.77	21.36	21.18	28.72
2009-10	12.94	21.57	1.20	11.82	11.37	8.44	36.16	20.17	21.30	24.28
2010-11	14.23	17.61	1.14	9.01	11.35	8.17	44.53	23.36	22.63	25.60
2011-12	14.68	16.58	0.51	8.38	9.04	6.07	42.27	19.73	23.70	23.38
2012-13	13.48	15.70	0.43	9.51	8.29	5.83	21.24	13.25	24.05	21.72
2013-14	8.71	15.09	0.77	9.71	9.28	5.64	-99.99	15.37	25.57	24.02
Avg.	12.70	15.57	1.00	8.97	9.50	9.29	19.00	20.84	23.15	25.92

Interpretation

From the above Table No. 1 showing the Net Profit Ratios of the selected companies, it can be seen that there is a fluctuating trend observed in case of BHEL Ltd. In the year 2004-05, it was 10.02%. Further, it was 12.49%, 13.94%, 14.67%, 11.80%,

12.94%, 14.23%, 14.68%, 13.48% and 8.71% respectively. Thus, during the study period the minimum net profit ratio was observed in the year 2013-14 which was 8.71%, while, the highest being in the year 2011-12 of about 14.68% showing an average of about 12.70% during the study period.

In case of Colgate Ltd. also, a fluctuating trend has been observed in the Net Profit Ratios during the study period. It was 11.78% (lowest) in the year 2004-05. Further, it was 12.20%, 12.36%, 15.71%, 17.12%, 21.57%, 17.61%, 16.58%, 15.70% and 15.09% in the respective years. However, the average ratio was 15.57% during the study period. While, the highest net profit ratio was 21.57% in the year 2009-10 during the study period.

HPCL also observed a fluctuating trend in its Net Profit Ratios during the study period. It was 2.12% (highest) in the year 2004-05 and reduced further up to 0.57% in the year 2005-06, followed by 1.75%, 1.08%, 0.46%, 1.20%, 1.14%, 0.51%, 0.43% and 0.77% in the respective years. The average was about 1.00% during the study period, lowest being 0.43 in the year 2012-13.

In case of L & T Ltd. also, a fluctuating trend regarding the Net Profit Ratios was observed during the period. In the year 2004-05 it was 7.48% which reduced and came to 6.87% (lowest) in the year 2005-06, followed by 7.97%, 8.70%, 10.27%, 11.82%, 9.01%, 8.38%, 9.51% and 9.71% in the respective years during the study period. However, the average was about 8.97% during the study period, the highest being 11.82% in the year 2009-10.

Mahindra Ltd. also showed a fluctuating trend regarding its Net Profit Ratios during the study period. It was 7.78% in the year 2004-05 which increased to 10.57% in the year 2005-06, followed by 10.85% in the year 2006-07 and 9.78%, 6.72%, 11.37%, 11.35%, 9.04%, 8.29% and 9.28% in the respective years. However, the average net profit ratio during the study period was 9.50%, the lowest being 6.72% in the year 2008-09, while the highest was 11.37% in the year 2009-10.

In case of Reliance Ltd. also there was a fluctuating trend observed during the study period. It was 11.49% in the year 2004-05, followed by 11.21%, 10.69%, 14.54%, 10.78%, 8.44%, 8.17%, 6.07%, 5.83% and 5.64% in the respective years. However, the average net profit ratio during the study period was about 9.29%, highest being 14.54% in the year 2007-08 and the lowest being 5.64% in the year 2013-14..

Sun Pharma Ltd. also observed a fluctuating trend in its Net Profit Ratios. During the year 2004-05 it was 25.37% which increased to 27.45% in the year 2005-06, followed by 28.04%, 32.17%, 32.77%, 36.16%, 44.53%, 42.27%, 21.24% and -99.99% in the respective years. However, the average net profit ratio during the study period was 19.00%, lowest being -99.99% in the year 2013-14 and the highest being 44.53% in the year 2010-11.

Tata Steel Ltd. too observed a fluctuating trend regarding its Net Profit Ratios during the study period. It was 23.97% in the 2004-05 reduced to 23.17% in the year 2005-06. Thereafter, it increased and came to 24.18% (highest) in the year 2006-07, followed by 23.85%, 21.36%, 20.17%, 23.36%, 19.73%, 13.25% and 15.37% in the following years respectively. However, the average net profit ratio was 20.84% during the study period and the least being 13.25% in the year 2012-13.

In case of ITC Ltd. also, there was a fluctuating trend observed in its Net Profit Ratios during the study period. It was 28.00% (highest) in the year 2004-05, followed by 22.19%, 21.40%, 21.50%, 21.18%, 21.30%, 22.63%, 23.70%, 24.05% and 25.57% respectively in the following years. The average net profit ratio of ITC Ltd. was 23.15% during the study period, the lowest being 21.18% in the year 2008-09.

Lastly, in case of Infosys Ltd. also a fluctuating trend was observed in its Net Profit Ratios during the study period. It was 27.28% in the year 2004-05 and reduced up to 26.82% in the year 2005-06. Further, it was 28.77%, 28.57%, 28.72%, 24.28%, 25.60%, 23.38%, 21.72% and 24.02% respectively in the following years of study period. However, the average net profit ratio was about 25.92% during the study period, the highest being 28.77% in the year 2006-07 and the lowest being 21.72% in the year 2012-13.

Thus, it can be seen that that Infosys Ltd. has a Net Profit ratio of about 25.92% on an average during the study period, which is the highest among all the selected companies .While, HPCL has the lowest i.e., only 1.00 % on an average during the study period.

2. Return on Net Worth/Equity Ratio

Table No.: 2 Shows the Return on Net Worth/Equity Ratio of the Selected Companies (in %)

Year	BHEL	Colgate	HPCL	L & T	Mahindra	Reliance	Sun Pharma	Tata Steel	ITC	Infosys
2004-05	16.84	45.86	15.79	22.70	27.47	21.82	31.38	60.02	27.97	40.70
2005-06	25.20	52.84	4.72	21.27	28.03	21.90	35.93	41.70	24.83	39.89
2006-07	30.02	71.23	17.14	27.11	33.20	22.45	32.15	35.40	26.01	41.90
2007-08	29.23	104.67	12.61	28.47	24.05	21.64	30.47	25.97	25.99	36.26
2008-09	26.47	153.35	5.40	23.96	18.10	15.69	27.04	21.88	23.85	37.18
2009-10	29.88	156.07	11.68	21.48	31.96	13.37	16.54	14.19	28.98	29.13
2010-11	33.33	113.38	14.21	17.70	29.39	14.78	22.32	16.36	31.36	27.69
2011-12	30.93	108.97	7.10	18.95	25.71	12.97	23.32	13.51	32.88	31.22
2012-13	23.70	107.41	6.74	14.56	25.08	12.28	6.59	9.43	33.36	27.70
2013-14	10.90	99.11	12.07	15.55	23.92	11.69	-0.78	11.02	33.51	26.09
Avg.	25.65	101.29	10.75	21.18	26.70	16.86	22.50	24.95	28.87	33.78

Interpretation

From the above Table No. 2 showing the Return on Net Worth/Equity Ratios of the selected companies, it can be seen that there is a fluctuating trend observed in case of BHEL Ltd. In the year 2004-05, it was 16.84% which increased and came to 25.20% in the year 2005-06. Further, they were 30.02%, 29.23%, 26.47%, 29.88%, 33.33%, 30.93%, 23.70% and 10.90% till the year 2013-14 respectively. Thus, during the study period the minimum return on net worth/equity ratio was observed in the year 2013-14 which was 10.90% while, the highest being in the year 2010-11 of about 33.33% showing an average of about 25.65% during the study period.

In case of Colgate Ltd. also, a fluctuating trend has been observed in the Return on Net Worth/Equity ratios during the study period. It was 45.86% (lowest) in the year 2004-05, which further increased to 52.84% during the year 2005-06, followed by 71.23%, 104.67%, 153.35%, 156.07%, 113.38%, 108.97%, 107.41% and 99.11% respectively during the years 2006-07 to 2013-14, average being 101.29% during the study period. Thus, during the study period the highest return on net worth/equity ratio was in the year 2009-10 i.e., 156.07%.

HPCL also observed a fluctuating trend in its return on net worth/equity ratios during the study period. It was 15.79% in the year 2004-05 and reduced further up to 4.72% (lowest) in the year 2005-06, followed by the highest 17.14% in the year 2006-07. Further, they were 12.61%, 5.40%, 11.68%, 14.21%, 7.10%, 6.74% and 12.07% in the respective years. The average was about 10.75% during the study period.

In case of L & T Ltd. also, a fluctuating trend regarding the Return on Net Worth/Equity ratio was observed during the period. In the year 2004-05 it was 22.70% followed by 21.27%, 27.11%, 28.47%, 23.96%, 21.48%, 17.70%, 18.95%, 14.56% and 15.55% in the respective years during the study period. However, the average was about 21.18% during the study period, lowest being 14.56% in the year 2012-13 and the highest being 28.47% in the year 2007-08.

Mahindra Ltd. also showed a fluctuating trend regarding its Return on Net Worth/Equity ratio during the study period. It was 27.47% in the year 2004-05 which increased to 28.03% in the year 2005-06, followed by the highest 33.20% in the 2006-07. Further, they were 24.05%, 18.10%, 31.96%, 29.39%, 25.71%, 25.08% and 23.92% in the respective years. However, the average return on net worth/equity ratio during the study period was 26.70%, the lowest being 18.10% in the year 2008-09. In case of Reliance Ltd. also there was a fluctuating trend observed during the study period. It was 21.82% in the year 2004-05, followed by 21.90%, 22.45%, 21.64%, 15.69%, 13.37%, 14.78%, 12.97%, 12.28% and 11.69% in the respective years. However, the average return on net worth/equity ratio during the study period was about 16.86%.

Sun Pharma Ltd. also observed a fluctuating trend in its Return on Net Worth/Equity ratio. During the year 2004-05 it was 31.38% which increased to 35.93% (highest) in the year 2005-06. Further, they were 32.15%, 30.47%, 27.04%, 16.54%, 22.32%, 23.32%, 6.59% and -0.78% in the respective years. However, the average return on net worth/equity ratio during the study period was 22.50%, lowest being -0.78% in the year 2013-14.

Tata Steel Ltd. too observed a fluctuating trend regarding its Return on Net Worth/Equity ratio during the study period. It was 60.02% (highest) in the 2004-05 and reduced to 41.70% in the year 2005-06. Thereafter, it further reduced and came to

35.40% in the year 2006-07, followed by 25.97%, 21.88%, 14.19%, 16.36%, 13.51%, 9.43% and 11.02% in the following years respectively. However, the average return on net worth/equity ratio was 24.95% during the study period and the least being 9.43% in the year 2012-13.

In case of ITC Ltd. also, there was a fluctuating trend observed in its Return on Net Worth/Equity ratio during the study period. It was 27.97% in the year 2004-05, followed by 24.83%, 26.01%, 25.99%, 23.85%, 28.98%, 31.36%, 32.88%, 33.36% and 33.51% respectively in the following years. The average return on net worth/equity ratio of ITC Ltd. was 28.87% during the study period, the lowest being 23.85% in the year 2008-09 and the highest being 33.51% in the year 2013-14.

Lastly, in case of Infosys Ltd. also a fluctuating trend was observed in its Return on Net Worth/Equity ratio during the study period. It was 40.70% in the year 2004-05 and reduced and came up to 39.89% in the year 2005-06. Further, they were 41.90%, 36.26%, 37.18%, 29.13%, 27.69%, 31.22%, 27.70% and 26.09% respectively in the following years of study period. However, the average return on net worth/equity ratio was about 33.78% during the study period, the lowest being 26.09% in the year 2013-14, while, the highest being 41.90% in the year 2006-07.

Thus, it can be seen that that Colgate Ltd. has a Return on Net Worth/ Equity ratio of about 101.29% on an average during the study period, which is the highest among all the selected companies. On the other hand, HPCL has the lowest i.e., only 10.75% on an average during the study period.

3. Return on Capital Employed/ Assets Ratio

Table No.: 3 Shows the Return on Capital Employed/Assets Ratio of the Selected Companies (in %)

Year	BHEL	Colgate	HPCL	L & T	Mahindra	Reliance	Sun Pharma	Tata Steel	ITC	Infosys
2004-05	26.86	71.69	17.16	22.12	27.16	19.31	16.37	63.79	33.09	48.10
2005-06	36.37	71.23	3.54	24.16	26.33	18.76	16.31	50.13	36.26	45.09
2006-07	45.16	90.01	13.46	30.92	32.25	20.12	19.30	36.63	37.24	45.99
2007-08	45.23	129.95	8.76	31.82	21.47	18.66	27.01	23.27	36.60	41.52
2008-09	40.73	178.61	9.19	26.89	14.83	13.21	27.37	17.23	34.60	42.92
2009-10	45.47	176.29	9.13	23.85	30.06	11.89	17.39	13.57	42.64	37.76
2010-11	35.94	140.48	9.28	22.17	29.92	13.63	23.28	16.14	45.88	37.89
2011-12	28.56	134.36	7.54	21.77	25.44	12.77	23.39	14.53	47.69	43.00
2012-13	23.37	133.73	5.60	16.80	26.27	12.15	8.30	11.41	48.29	37.48
2013-14	11.01	126.51	7.24	18.20	22.63	11.52	0.13	12.69	48.21	35.63
Avg.	33.87	125.29	9.09	23.87	25.64	15.20	17.89	25.94	41.05	41.54

Interpretation

From the above Table No. 3 showing the Return on Capital Employed/Assets Ratios of the selected companies, it can be seen that there is a fluctuating trend observed in case of BHEL Ltd. In the year 2004-05, it was 26.86%. Further, they were 45.16%, 45.23%, 40.73%, 45.47%, 35.94%, 28.56%, 23.37% and 11.01% respectively in the following years of the study period. Thus, during the study period the minimum return on capital employed/assets ratio was observed in the year 2013-14 which was 11.01%, while, the highest being in the year 2009-10 of about 45.47% showing an average of about 33.87% during the study period.

In case of Colgate Ltd. also, a fluctuating trend has been observed in the Return on Capital Employed/ Assets ratios during the study period. It was 71.69% in the year 2004-05 which reduced to 71.23% (lowest) during the year 2005-06, followed by 90.01%, 129.95%, 178.61%, 176.29%, 140.48%, 134.36%, 133.73% and 126.51% respectively during the years 2006-07 to 2013-14, average being 125.29% during the study period. Thus, during the study period the highest return on capital employed/assets ratio was 178.61% in the year 2008-09.

HPCL also observed a fluctuating trend in its Return on Capital Employed/Assets ratios during the study period. It was 17.16% (highest) in the year 2004-05 and reduced further up to 3.54% (lowest) in the year 2005-06, followed by 13.46%, 8.76%, 9.19%, 9.13%, 9.28%, 7.54%, 5.60% and 7.24% in the respective years. The average was about 9.09% during the study period.

In case of L & T Ltd. also, a fluctuating trend regarding the Return on Capital Employed/Assets ratio was observed during the period. In the year 2004-05 it was 22.12% and increased to 24.16% in the year 2005-06, followed by 30.92%, 31.82%, 26.89%, 23.85%, 22.17%, 21.77%, 16.80% and 18.20% in the respective years during the study period. However, the average was about 23.87% during the study period, lowest being 16.80% in the year 2012-13 and the highest being 31.82% in the year 2007-08.

Mahindra Ltd. also showed a fluctuating trend regarding its Return on Capital Employed/Assets ratio during the study period. It was 27.16% in the year 2004-05 which reduced to 26.33% in the year 2005-06, followed by the highest 32.25% in the 2006-07. Further, they were 21.47%, 14.83%, 30.06%, 29.92%, 25.44%, 26.27% and 22.63% in the respective years. However, the average return on capital employed/assets ratio during the study period was 25.64%, lowest being 14.83% in the year 2008-09.

In case of Reliance Ltd. also there was a fluctuating trend observed during the study period. It was 19.31% in the year 2004-05, followed by 18.76%, 20.12%, 18.66%, 13.21%, 11.89%, 13.63%, 12.77%, 12.15% and 11.52% in the respective years. However, the average return on capital employed/assets ratio during the study period was about 15.20%, highest being 20.12% in the year 2006-07 and the lowest being 11.52% in the year 2013-14.

Sun Pharma Ltd. also observed a fluctuating trend in its Return on Capital Employed/Assets ratio. During the year 2004-05, it was 16.37% which reduced to 16.31% in the year 2005-06. Further they were 19.30%, 27.01%, 27.37%, 17.39%, 23.28%, 23.39%, 8.30% and 0.13% in the respective years. However, the average return on capital employed/assets ratio during the study period was 17.89%, lowest being 0.13% in the year 2013-14 and the highest being 27.37% in the year 2008-09.

Tata Steel Ltd. too observed a fluctuating trend regarding its Return on Capital Employed/Assets ratio during the study period. It was 63.79% (highest) in the 2004-05 and reduced to 50.13% in the year 2005-06. Thereafter, they were 36.63%, 23.27%, 17.23%, 13.57%, 16.14%, 14.53%, 11.41% and 12.69% in the following years respectively. However, the average return on capital employed/assets ratio was 25.94% during the study period and the least being 11.41% in the year 2012-13. In case of ITC Ltd. also, there was a fluctuating trend observed in its Return on Capital Employed/Assets ratio during the study period. It was 33.09% (lowest) in the year 2004-05, followed by 36.26%, 37.24%, 36.60%, 34.60%, 42.64%, 45.88%, 47.69%, 48.29% and 48.21% respectively in the following years. The average return on capital employed/assets ratio of ITC Ltd. was 41.05% during the study period, the highest being 48.29% in the year 2012-13.

Lastly, in case of Infosys Ltd. also a fluctuating trend was observed in its Return on Capital Employed/Assets ratio during the study period. It was 48.10% (highest) in the year 2004-05 and reduced up to 45.09% in the year 2005-06. Further, it was 45.99%, 41.52%, 42.92%, 37.76%, 37.89%, 43.00%, 37.48% and 35.63% respectively in the following years of study period. However, the average return on capital employed/assets ratio was about 41.54% during the study period, the lowest being 35.63% in the year 2013-14.

Thus, it can be seen that that Colgate Ltd. has a Return on Capital Employed/Assets ratio of about 125.29% on an average during the study period, which is the highest among all the selected companies. On the other hand, HPCL has the lowest i.e. only 9.09% on an average during the study period.

4. Earnings per share (EPS)

Table No.: 4 Shows the Earnings per share (EPS) of the Selected Companies (in Rs.)

Year	BHEL	Colgate	HPCL	L & T	Mahindra	Reliance	Sun Pharma	Tata Steel	ITC	Infosys
2004-05	37.86	7.40	35.59	71.94	44.02	53.30	15.94	60.91	88.28	187.38
2005-06	66.57	9.07	11.55	70.58	35.26	63.70	24.06	61.51	5.95	81.41
2006-07	94.86	10.39	43.47	47.65	43.10	84.28	31.57	69.95	7.18	64.35
2007-08	55.82	13.30	32.97	71.73	44.54	131.97	47.16	61.06	8.28	72.50
2008-09	61.22	18.83	16.07	57.71	30.60	95.24	58.75	66.75	8.65	97.74
2009-10	84.15	27.75	36.40	70.83	35.58	48.59	41.10	54.97	10.64	96.92
2010-11	117.69	25.95	43.13	63.15	43.69	60.80	12.79	69.93	6.45	102.35

2011-12	27.72	28.77	25.51	71.11	47.16	60.01	15.70	67.07	7.88	139.93
2012-13	26.12	31.99	25.24	78.40	55.22	63.66	4.14	50.79	9.39	151.79
2013-14	13.66	35.11	48.51	58.42	61.91	66.55	0.00	65.33	11.05	167.47
Avg.	58.57	20.86	31.84	66.15	44.11	72.81	25.12	62.83	16.38	116.18

Interpretation

From the above Table No. 4 showing the Earnings per share (EPS) of the selected companies, it can be seen that there is a fluctuating trend observed in case of BHEL Ltd. In the year 2004-05, it was Rs. 37.86 followed by Rs.66.57, Rs.94.86, Rs.55.82, Rs.61.22, Rs.84.15, Rs.117.69, Rs.27.72, Rs.26.12 and Rs.13.66 respectively during the study period. Thus, during the study period the minimum EPS was observed in the year 2013-14 which was Rs.13.66 while, the highest being in the year 2010-11 of about Rs.117.69 showing an average of about Rs.58.57 during the study period.

In case of Colgate Ltd. also, a fluctuating trend has been observed in the EPS during the study period. It was Rs.7.40 (lowest) in the year 2004-05 which increased and came to Rs.9.07 during the year 2005-06, followed by Rs.10.39, Rs.13.30, Rs.18.83, Rs.27.75, Rs.25.95, Rs.28.77, Rs.31.99 and Rs.35.11 respectively during the years 2006-07 to 2013-14, average being Rs.20.86 during the study period. Thus, during the study period the highest EPS was Rs.35.11 in the years 2013-14.

HPCL also observed a fluctuating trend in its EPS during the study period. It was Rs.35.59 in the year 2004-05 and reduced to Rs.11.55 (lowest) in the year 2005-06, followed by Rs.43.47, Rs.32.97, Rs.16.07, Rs.36.40, Rs.43.13, Rs.25.51, Rs.25.24 and Rs.48.51 in the respective years. The average was about Rs.31.84 during the study period, highest being Rs.48.51 in the year 2013-14.

In case of L & T Ltd. also, a fluctuating trend regarding the EPS was observed during the period. In the year 2004-05 it was Rs.71.94 followed by Rs.70.58, Rs.47.65, Rs.71.73, Rs.57.71, Rs.70.83, Rs.63.15, Rs.71.11, Rs.78.40 and Rs.58.42 in the respective years during the study period. However, the average was about Rs.66.15 during the study period, lowest being Rs.47.65 in the year 2006-07, while the highest was Rs.78.40 in the year 2012-13.

Mahindra Ltd. also showed a fluctuating trend regarding its EPS during the study period. It was Rs.44.02 in the year 2004-05 which reduced to Rs.35.26 in the year 2005-06, followed by Rs.43.10, Rs.44.54, Rs.30.60, Rs.35.58, Rs.43.69, Rs.47.16, Rs.55.22 and Rs.61.91 in the respective years. However, the average EPS during the study period was Rs.44.11, lowest being Rs.30.60 in the year 2008-09 and the highest being Rs.61.91 in the year 2013-14.

In case of Reliance Ltd. also there was a fluctuating trend observed during the study period. It was Rs.53.30 in the year 2004-05, followed by Rs.84.28, Rs.131.97, Rs.95.24, Rs.48.59, Rs.60.80, Rs.60.01, Rs.63.66 and Rs.66.55 in the respective years. However, the average EPS during the study period was about Rs.72.81, lowest being Rs.48.59 in the year 2009-10 and the highest being Rs.131.97 in the year 2007-08.

Sun Pharma Ltd. also observed a fluctuating trend in its EPS. During the year 2004-05 it was Rs.15.94 which increased to Rs.24.06 in the year 2005-06. Further, they were Rs.31.57, Rs.47.16, Rs.58.75, Rs.41.10, Rs.12.79, Rs.15.70, Rs.4.14 and Re.0.00 in the respective years. However, the average EPS during the study period was Rs.25.12, lowest being Re. 0.00 in the year 2013-14 and the highest being Rs.58.75 in the year 2008-09.

Tata Steel Ltd. too observed a fluctuating trend regarding its EPS during the study period. It was Rs.60.91 in the 2004-05 and increased to Rs.61.51 in the year 2005-06, followed by Rs.69.95 (highest) in the year 2006-07. Thereafter, they were Rs.61.06, Rs.66.75, Rs.54.97, Rs.69.93, Rs.67.07, Rs.50.79 and Rs.65.33 respectively in the following years. However, the average EPS was Rs.62.83 during the study period, and least being Rs.50.79 in the year 2012-13.

In case of ITC Ltd. also, there was a fluctuating trend observed in its EPS during the study period. It was Rs. 88.28 (highest) in the year 2004-05, followed by Rs.5.95 (lowest) in the year 2005-06. Thereafter, they were Rs.7.18, Rs.8.28, Rs.8.65, Rs.10.64, Rs.6.45, Rs.7.88, Rs.9.39 and Rs.11.05 respectively in the following years. The average EPS of ITC Ltd. was Rs.16.38 during the study period.

Lastly, in case of Infosys Ltd. also a fluctuating trend was observed in its EPS during the study period. It was Rs.187.38 (highest) in the year 2004-05 and reduced up to Rs.81.41 in the year 2005-06. Further, it was Rs.64.35, Rs.72.5, Rs.97.74,

Rs.96.92, Rs.102.35, Rs.139.93, Rs.151.79 and Rs.167.47 respectively in the following years of study period. However, the average EPS was about Rs.116.18 during the study period and the lowest being 64.35 in the year 2006-07.

Thus, it can be seen that that Infosys Ltd. has an EPS of about Rs.116.18 on an average during the study period, which is the highest among all the selected companies. On the other hand, ITC Ltd. has the lowest i.e., only Rs. 16.38 on an average during the study period.

ANOVA						
		Sum of Squares	df	Mean Square	F	P value
Return on Capital Earned	Between Groups	98732.897	9	10970.322	52.350	.000
	Within Groups	18860.266	90	209.559		
	Total	117593.163	99			
NP Ratio	Between Groups	5348.479	9	594.275	3.207	.002
	Within Groups	16678.466	90	185.316		
	Total	22026.945	99			
RONW	Between Groups	58150.003	9	6461.111	33.110	.000
	Within Groups	17562.533	90	195.139		
	Total	75712.536	99			
Earning Per Share	Between Groups	83407.300	9	9267.478	18.491	.000
	Within Groups	45108.003	90	501.200		
	Total	128515.303	99			

As p value is all the selected variable are less than 0.05 so we reject the null hypothesis, it indicate that there is significant difference in the mean value Net Profit Ratio, RONW, ROCE and EPS of selected companies.

FINDING AND CONCLUSION

Looking at Profitability position of selected companies, it is found during the study period that Infosys Ltd. has a Net Profit ratio of about 25.92 % on an average during the study period, which is the highest among all the selected companies. While, HPCL has the lowest i.e., only 1.00% only on an average during the study period. Net Profit ratio of Sun Pharma was good and were in increasing trend during the study period. Colgate Ltd. has a Return on Net Worth/ Equity ratio of about 101.29% on an average during the study period, which is the highest among all the selected companies. On the other hand, HPCL has the lowest i.e., only 10.75% on an average during the study period. Further, it is found that Colgate Ltd. has a Return on Capital Employed/Assets ratio of about 125.29% on an average during the study period, which is the highest among all the selected companies. On the other hand, HPCL has the lowest i.e., only 9.09% on an average during the study period. In case of EPS, it is found that Infosys Ltd. has an EPS of about Rs.116.18 on an average during the study period, which is the highest among all the selected companies, while, ITC Ltd. has the lowest i.e., only Rs. 16.38 on an average during the study period. Overall financial performance of Colgate Ltd, Infosys, Tata Steel Ltd and Reliance Ltd were good compare to other companies whereas financial performance of HPCL was not good during the study period. Profitability of HPCL and Mahindra Ltd were at the bottom during the study period so company should improve performance whereas the financial performance of Infosys and Colgate Ltd was at the top so these company should maintain the performance.

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