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   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

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- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

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- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

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AN EMPIRICAL ANALYSIS ON FINANCIAL PERFORMANCE OF PUBLIC SECTOR HOUSING CORPORATION IN INDIA: A CASE STUDY OF HUDCO

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ABSTRACT

Housing finance has risen to the top of research and policy agendas in recent years. Evaluation of financial performance occupies an important place in financial management. Financial Performance evaluation has been done on the basis of some selected parameters like Liquidity, Profitability, Solvency and Leverage ratios for the period from 2001-02 to 20010-12. The idea of this article is to know the short term as well as long-term financial position of preferred corporation and to give suitable suggestions for improvement in their financial position. An analysis of profitability, Liquidity, long-term solvency, impact of financial leverage on the shareholders' earnings and justification for the use of debt by the selected unit through the application of ratio analysis, trend analysis and statistical test has been undertaken.

KEYWORDS

Liquidity, solvency, Profitability and EPS.

INTRODUCTION

The growth of any organization depends on the overall performance as production, marketing, human resource and financial performance of the organization. Financial analysis is the process of identifying the financial strengths and weakness of firm by properly establishing relationship between the items of the balance sheet and profit account (Panday I.M, 1979). During the 20th century in most of the nation's domestic Housing sector was generally subjected to heavy regulations and financial repression. The growth and financial stability of the country depends on the financial soundness of industry sector. In such a complex corporate environment, it is the challenge to the finance manager to survive the firm in long- run perspective with the objective of maximizing the owner's wealth. With a view to achieve this objective, finance manager is required to pay his due attention on investment decision, financing decision and dividend decision. Assuming that sound investment policy and opportunity are there, it is my intention in this paper to optimize the financing decision and dividend decision in the context of achieving the stated objective. Financing decision refers to the selection of appropriate financing-mix and so it relates to the capital structure or leverage. Capital structure refers to the proportion of long- term debt capital and equity capital required to finance investment proposal. There should be an optimum capital structure, which can be attained by the judicious exercise of financial leverage. This paper mainly concentrates on the exercise of financial leverage in the context of understanding its impact on earnings and dividend per share. Accordingly, this study makes an attempt to analyze financial performance of leading public sector Housing Corporation in India.

LITERATURE REVIEW

In the process of continuous evaluation of the housing finance institutions' both in public sector and private sector, the academicians, scholars and administrators have made several studies on the financial performance in different perspectives and in different periods. This has been made me to take up the study on those areas where the study is incomplete. Hence, the knowledge on the current topic of the financial performance of the banks is reviewed here under to appraise the need for the present study. P. C. Narware(2001) focused on the working capital management and profitability. Housing is an integral part of overall policy improvements of human settlements and economic development (Year Book, 1997)4. Sharma (2002), portrayed about the financial performance of cement Industry. Andra C. Ghent and Michael T. Owyang (2010)8, Dr. C. Harichandran (1989)12, R.M. Buckley (1989)21 opined that the Bank lending for housing finance during the period from 1972 to 1989. Munjee *et al*., (1990)22 depicted that credit flows into the housing sector originates therefore from formal or informal sector like, budgetary allocations, of central and state governments, financial institutions like the LIC, Unit Trust of India, Commercial Banks, provident funds and Public Sector Institutions such as HUDCO. H.U. Bijlani (1991) highlighted about financial strategy followed by HUDCO initially to create its network of the programme. It also brings out features which provided HUDCO with its present strength through consolidation and prudent management of finances in its formative stage. Ricardo M. Sousa, 2010, investigated an empirically found that a monetary policy contraction leads to a substantial fall in wealth after a positive interest rate shock there is a flight towards assets that are less liquid and earn higher rates of return. Hence, this study emphasizes the financial performance of Public Sector Corporation. Vijay Kumar(2002) studied about the efficiency in investment management and current assets are important to improve profitability and Luther (2007) conducted the liquidity, profitability and risk analysis of Madras cements Ltd. and suggested that the firm should take into consideration the short term liquidity also along with long-term investment decisions as if the liquidity remains continuously. Syed azhar and b. Ramesh, 2012 reviewed concerning to relationship between profitability of a firm and cash conversion cycle, thus it is possible to increase firm's profitability through more efficiency of working capital management. In case of the process of an asset-liability mismatch may occur which may increase firm's profitability in the short-run but at a risk of its insolvency. Hence, this study is an attempt to make an analysis of financial performance which includes profitability, liquidity and solvency of HUDCO as a case study from public sector Housing Corporation in India.

ABOUT HUDCO

Housing & Urban Development Corporation Ltd. (HUDCO) is a public sector company fully owned by Govt. of India for financing of housing and urban infrastructure activities in India. HUDCO was incorporated on April 25, 1970 under the Companies Act 1956. The cardinal objective of HUDCO is to undertake housing and urban infrastructure development programmes in the country, provide long-term finance for construction of houses for residential purposes in urban & rural areas and finance or undertake, the setting up of the new or satellite towns and industrial enterprise for building material. HUDCO was sanctioned amount of Rs. 37,464 Crores for housing schemes and Rs. 84,906 Crores for Urban Infrastructure projects. HUDCO's assistance has helped in the construction of 150 Lacs residential units, about 67 Lacs sanitation units and in undertaking 1631 urban infrastructure schemes effectively improving the living conditions in the urban and rural areas and it was released Rs. 76,526 Crores as loan. HUDCO has been working towards achieving the goal of housing for all. A total number 1,50,35,435 of dwelling units have been constructed across the country with financial & technical assistance from HUDCO as on date. This is the single largest contribution of any institution across the world. HUDCO received the Prime Minister's MOU Award for Excellence in Performance 1998-99 from the Honorable Prime Minister for being among the Top Ten Public Sector Institutions in Performance. For its sustained focus on total quality management in its operation and providing value added services to its clients, HUDCO has obtained ISO 9001: 2008 certification and conferred the HUDCO with Miniratna Status which would further strengthen the HUDCO role in the field of human settlements.

OBJECTIVES OF THE STUDY

The main objective of the present article is to provide an insight into the conceptual side of trade off between liquidity and profitability and to assess the efficiency of the management in maintaining good liquidity, profitability and solvency in Housing sector on the basis of available data collected from published Annual Reports of the companies over the period of 10 years (i.e. from 2001-02 to 2011-2012). The specific objectives of this study are as follows:

I. To review the previous stock of related research on financial performance.
II. To measure, test and evaluate the liquidity position of the selected unit namely HUDCO.
III. To find out the solvency position of the concern.
IV. To determine the profitability position of the selected unit.
V. To know the earning per share (EPS) over the period of study.

SAMPLING AND RESEARCH METHODOLOGY

The present study is analytical in nature and it is based on secondary data. The proposed study will aim at examining the financial performance of Housing & Urban Development Corporation Ltd. (HUDCO) which is leading public sector Housing Corporation in India. The study is based upon secondary data covering the period from 2001-02 to 2011-12 have been collected from the financial statements published in Annual Reports of HUDCO Editing, classification and tabulation of financial data collection from the above mentioned source have been done as per the requirement of the study. For analyzing the data simple statistical tools such as ratio, mean, standard deviation, correlation. Regression, t-test and rank correlation have been used. All statistical calculation has been done through SPSS. The ratios relating to working capital management which have been selected and have been used for analysis are as follows:

I: Liquidity Analysis II: Solvency Analysis III: Profitability Analysis IV: EPS. The results have been tested with Coefficient of correlation and testing the significance.

FINDINGS AND DATA ANALYSIS

SOLVENCY POSITION OF HUDCO: It is extremely essential for a firm to be able to meet its obligations as they become due in both short-run and long-run. Liquidity (short-term solvency) ratios measure the firm's ability to meet current obligations. In fact, analysis of liquidity and long-term solvency needs the preparation of cash budgets and cash and Fund Flow statements, but liquidity ratios by establishing a relationship between cash and other current assets to current obligations provided a quick measure of liquidity. Whereas the solvency expresses the company's capability and soundness to meet its liabilities out of its assets. Among total liabilities, long term and current liabilities are included and it reveals that the relationship between the total assets and total liabilities of the business. The failure of a company to meet its obligations due to lack of sufficient liquidity, will result in a poor creditworthiness, loss of creditors` confidence, or even in legal tangles resulting in the closure of the company. Therefore, it is necessary to preserve a proper balance of liquidity and also solvency. To determine the liquidity level of HUDCO, three ratios related to liquidity, namely, current ratio, quick ratio and absolute liquidity ratio.

CURRENT RATIO (CR): Current ratio shows the relationship between the current assets and current liabilities. This ratio is measure of the firm's short term solvency. This ratio according to accepted standards or idle ratio should be 2:1, it is an index of sound working capital position for the business and in case it is less than 2:1, there is need to further investigate about the short term solvency. The higher the CR, greater the margin of safety and vice versa. The current ratios of both the selected companies have been exhibited in below Table 1. The current ratio of HUDCO is varied between 1.19 times in 2000-01 and 1.19 times in the year 2010-11. It is clear from the analysis that this ratio is almost below than the ideal standard of 2:1, except during the year from 2002-03 to 2005-06. The average ratio is 1.47 times with a growth rate of 1.41 %. The S.D. is .49 and the value of C.V. is 33.33 %. Hence, there is more consistency in this ratio in case of HUDCO over the period of last ten years.

LIQUID RATIO (LR): Liquid ratio is also known as acid test ratio, quick ratio or liquidity ratio. It can be calculated by dividing the current assets minus inventory and prepaid expenses by current liabilities. Normally, an idle quick ratio of 1:1 is considered satisfactory as a firm can easily meet its all current obligations. Liquid ratio provides a sense, a check on the liquidity position of a firm as shown by the current ratio. Quick ratio is more rigorous and penetrating test of the liquidity position of a business firm. The below Table 1 depicts the liquid ratio of selected company. In case of HUDCO, liquid ratio is in a satisfactory position in the last ten years of the study because it is more than the idle standard of 1:1 but it is more than the standard norm during the period from 2003-04 to 2005-06. Highest ratio during the study period is 2.28 times in the years 2004-05 and the lowest ratio is .93 times in the year 2002-03. On average, this ratio is 1.48 times, which is in a satisfactory position as per the norm. The Growth rate is 1.43 % which shows that the liquidity position of the company is in a positive direction during the study period. The S.D. is 0.48 and the value of C.V. is 32.43 %. Thus, it can be concluded that the liquidity position of the HUDCO is sound over the period of study.

TABLE 1: STATEMENT SHOWING LIQUIDITY AND SOLVENCY OF HUDCO

Ratios / Years	Liquidity			Solvency			
	CR	LR	ALR	DER	PR	FAR	CAFAR
2000-01	1.19	1.20	0.98	7.75	0.11	8.47	0.10
2001-02	1.08	1.08	0.84	7.25	0.11	8.16	0.06
2002-03	0.93	1.00	0.38	**7.25**	0.11	8.36	0.05
2003-04	2.16	2.16	1.27	6.84	0.12	7.30	0.12
2004-05	2.28	2.28	1.52	6.22	0.13	6.75	0.14
2005-06	2.07	2.07	1.58	5.91	0.14	6.58	0.11
2006-07	1.55	1.60	1.10	5.21	0.15	6.02	0.10
2007-08	1.01	1.01	0.49	4.51	0.17	5.53	0.07
2008-09	1.45	1.46	0.82	4.12	0.18	5.05	0.08
2009-10	1.21	1.21	0.70	3.05	0.23	1.00	0.06
2010-11	1.19	1.21	0.66	2.86	0.24	1.00	0.06
Growth Rate	1.41	1.43	0.97	8.74	0.09	12.63	0.09
Mean	1.47	1.48	0.94	5.54	0.15	5.84	0.09
SD	0.49	0.48	0.39	1.72	0.05	2.64	0.03
CV	0.333333	0.324324	0.414894	0.310469	0.333333	0.452055	0.333333

ABSOLUTE LIQUID RATIO (ALR): This ratio is also regarded as cash position ratio or super quick ratio. It is a more rigorous test of the liquidity position of a firm. This is calculated by dividing cash and bank balances and marketable securities by the current liabilities. A high cash position ratio is good for the creditors but for management, it indicates poor investment policy. The idle standard for this ratio is 50 % or 0.50:1; it means that if a business firm has 50 % cash to meet its current obligation, it is regarded hat liquid position of the company is satisfactory. The above Table 1 depicts that this ratio is always greater than the idle norm of 50 % or 0.5:1 in case of HUDCO. It ranged from 0.98 times in the year 2000-01 and ends with 0.66 in the year 2010-11. The overall average is 0.94 times with a growth rate of 97%. The S.D. is 0.39 and the value of C.V. is 41.49%. Thus, the cash position of HUDCO is at satisfactory during the study period, because the level of cash and bank balances maintained by the company is always greater than the standard norm.

DEBT EQUITY RATIO (DER): This is comparison between the outsider's debts and shareholders' funds. The debt includes all outsiders funds like debentures, long term loans say from financial institutions and the term Equity includes share capital both equity and preference and shareholders' funds. The standard norm of this ratio is 2:1 in general the lower the ratio, the higher the degree of protection enjoyed by the creditors. Is using this ratio, followed points should be born in mind. The book value of equity may be an understatement of its value in a period of rising prices. Some of debts are usually protect by specific collaterals and hence of rising prices superior protection. The long term solvency ratios of HUDCO have been exhibited in Table 1. The DER of HUDCO is varied between 7.75 times in 2000-01 and 2.86 times in the year 2010-11. It is clear from the analysis that this ratio is always above than the ideal standard of 2:1. The average ratio is 5.54 times with a growth rate of 8.74%. The S.D. is 1.72 and the value of C.V. is 31.05%. Hence, there is not in consistency in this ratio in case of HUDCO over the period of last ten years and at the same the company is highly blocked the funds in debt than equity fund.

PROPRIETARY RATIO (PR): This ratio is also known as the name of net worth to total assets or equity ratio. Proprietary ratio indicates a relationship between net worth and total assets. This ratio expenses the extent to which the shareholders own business. The shareholders/proprietary funds includes this ratio has been calculated by considering net worth and total assets for the past five years. The standard norm of this ratio is 1:3 times i.e. 1/3 of the total assets should be acquired by shareholders funds and the other 2/3 rd of the assets should be financed by outsiders funds. According to Table 1, the PR of HUDCO is always less than 30% of the total assets. It ranged from 0.11 times in the year 2000-01 and ends with 0.05 in the year 2010-11. The overall average is 0.15 times with a growth rate of 9%. The S.D. is 0.05 and the value of C.V. is 33.33%. Thus, the proprietors' position of HUDCO is not at satisfactory over the period of study.

FIXED ASSETS RATIO (FAR): This ratio gives an idea as to what part of the capital employed has been used in the purchasing the fixed assets for the concern. If the ratio is less than one it is good for the concern. The table 1 depicts that FAR of HUDCO is always greater than one during the period from 2000-01 to 2008-09 and after it was stabled at one during the period from 2009-10 to 2010-11. It was assortment from 8.47 times in the year 2000-01 and ends with 1.00 times in the year 2010-11. The overall average is 5.84 times with a growth rate of 12.63%. The S.D. is 2.64 and the value of C.V. is 45.21%. Thus, the proprietors' position of the selected company is not at satisfactory over the period of study.

CURRENT ASSETS TO FIXED ASSETS RATIO (CAFAR): It is the relationship between current assets to fixed assets. Every manufacturing concern should maintain adequate funds in current assets to meet their short-term obligations and at the same time it has to keep the good amount of fixed assets which is sufficient to meet long term obligations. The ratio of current assets to fixed asset of HUDCO portrayed that in the above table 1. The CAFAR of the selected company is varied between 0.10 times in 2000-01 and 0.06 times in the year 2010-11. The average ratio is 0.09 times with a growth rate of 9%. The S.D. is 0.03 and the value of C.V. is 33.33 %. This is almost less than ten percent; it indicates that the company has quipped with more funds in fixed assets i.e. around 90%. It indicates that the vigor of long-term solvency of the concern.

PROFITABILITY POSITION OF HUDCO: Any company should earn profits to survive and grow over a long period of time. Profits are essential, but it would be wrong to assume that every action initiated by management of a company should be aimed at maximizing profits, irrespective of social consequences. Profit is the difference between revenues and expenses over a period of time (usually a year). Profit is the ultimate "Output" of a company, and it will have no future if it fails to make sufficient profits. Therefore, the financial manager should continuously evaluate to the efficiency of the company in term of profits. The profitability ratios are calculated to measure the operating efficiency of the company. Besides management of the company, creditors and owners are also interested in the profitability of the firm. Creditors want to get interest and repayment of principle regularly. Owners want to get a required rate of return on their investment. This is possible only when the company earns enough profits.

Generally two major types of profitability ratios are calculated.

I. Profitability In Relation To Turnover
II. Profitability In Relation To Investment

TABLE 2: STATEMENT SHOWING PROFITABILIITY OF HUDCO

Years \ Ratios	GPR	NPR	OPR	ROCE	ROSHI	ROTA	EPS
2000-01	97.28	5.8	95.46	10.57	5.51	0.61	90.77
2001-02	95.15	5.65	94.37	10.05	4.97	0.56	92.75
2002-03	80.32	10.91	86.03	9.22	21.03	1.1	175.24
2003-04	92.62	10.42	75.07	9.12	9.97	1.21	183.32
2004-05	94.35	14.39	93.47	10.46	11.72	1.52	200.31
2005-06	74.96	9.96	74.02	8.12	7.61	1.04	130
2006-07	87.48	11.81	86.61	9.23	7.88	1.19	154.04
2007-08	88.3	14.32	87.5	9.82	8.92	1.51	186.69
2008-09	73.85	14.78	72.96	8.2	8.59	1.58	200.3
2009-10	87.8	19.59	86.91	10.54	9.72	2.26	247.42
2010-11	93.2	24.14	91.9	9.7	9.92	2.43	274.75
Growth Rate	91.29	6.41	88.57	9.76	8.06	0.67	107.55
Mean	87.76	12.89	85.85	9.55	9.62	1.36	175.96
SD	8.09	5.49	8.28	0.86	4.27	0.57	157.44
CV	0.0921832	0.4259116	0.0964473	0.0900524	0.4438669	0.4191176	0.8947488

Source: Compiled from the Annual Reports of HUDCO

I. PROFITABILITY OF HUDCO IN RELATION TO TURNOVER

The following are the main significant ratios to know the profitability of any concern:

a. Gross profit margin b. Net profit ratio c. Operating margin

a. GROSS PROFIT RATIO (GPR): Gross profit margin reflects the efficiency with which the management produces each unit of product. This ratio indicates the average spread between the cost of goods sold and the sales revenue. When we subtract the gross profit margin from 100%, A high gross profit margin relative to the industry average implies that the firm is able to produce at relatively lower cost. A low gross profit margin may reflect higher cost of goods sold due to the firm's inability to purchase raw materials at favorable terms, inefficient utilization of plant and machinery, resulting in higher cost of production. The table 2 depicts that GPR of HUDCO is always performs well over the past ten years i.e. from 2000-01 to 2010-11. It was growing with 91.29 percent with an average of 87.76 percentages during the period of study. The S.D. is 8.09 and the value of C.V. is 9.22 percentages. Thus, the profitability of HUDCO is at satisfactory position over the period of study.

NET PROFIT RATIO (NPR): Net profit is obtained when operation expenses, interest and taxes are subtracted from the gross profit. Net profit margin ratio establishes a relationship between net profit and sales and indicated management's efficiency in manufacturing, administering and selling the products. This ratio is the overall measure of the firm's ability to turn each rupee sales into net profit. This ratio also indicates the firm's capacity to withstand in adverse economic conditions. The NPR of HUDCO has been depicted from the above table-2, it was always performed more than ten percent over the period of study except during the period from 2000-01 to 2001-02 and also in the year 2005-06. The HUDCO obtained good profits with an aggregate of 12.89 percent during the period of study. During the period of study, the NPR of HUDCO GROWING WITH 6.41 percent and also maintained SD is 5.49 and the value of CV is 42.59 percent. Hence, the net profitability margin of HUDCO is at satisfactory position over the period of study, especially in recent trend.

OPERATING PROFIT RATIO (OPR): Operating margin ratio is also known as Operating Net profit ratio. This ratio establishes the relationship between the total cost incurred and sales. Operating profit is the Net profit after depreciation but Before Interests and Taxes. The OPR of HUDCO established tremendously during the period from 2000-01 to 2010-11. It was maintained as an aggregate of 85.85 percentage with 88.57 percentage of growth. The SD of HUDCO is 8.28 and CV is 9.64 percentages. Finally, we conclude that the overall operational efficiency of the business concern is at satisfactory.

II. PROFITABILITY RATIOS IN RELATION TO INVESTMENT

The following are the significant ratios which are used to find out the profitability on the basis of investment:

a. Return on capital employed b. Return on shareholders' investment. c. Return on total assets. d. Earnings per share.

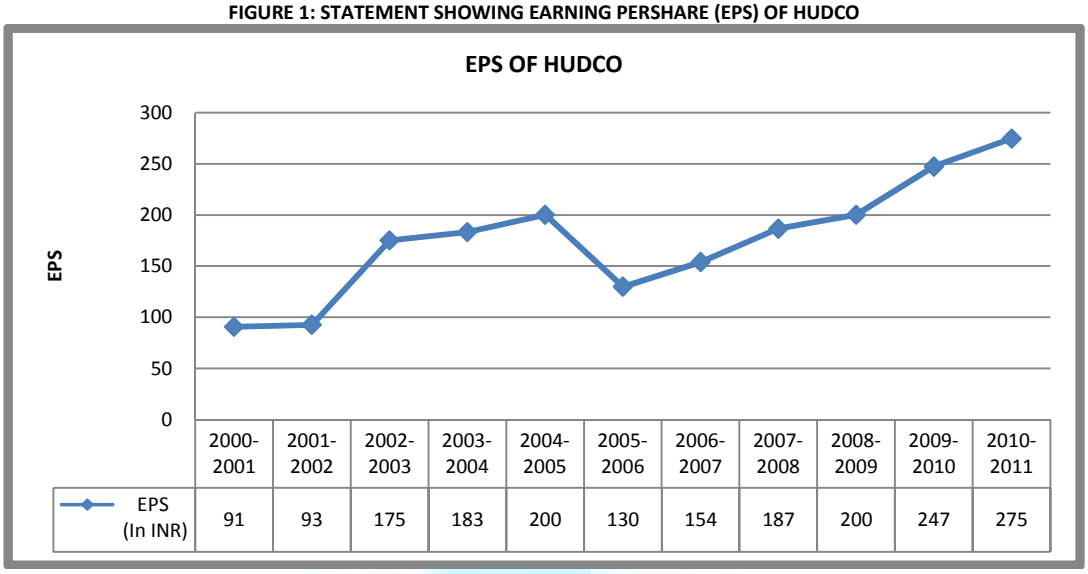
RETURN ON CAPITAL EMPLOYED (ROCE): The term capital employed refers to long-term funds supplied by the creditors and owners of the fund. It can be computed in two ways. The Capital Employed provides a basis to test the profitability related to the sources of long-term funds. The above table 2 portrayed that the ROCE of HUDCO during the period of study. The ROCE of HUDCO is varied between 10.57 to 10.54 percentages with an aggregate of 9.76 percentages. The S.D. is 0.86 and the value of Co-variance is 9%. Hence, Insight into how efficiency the long-term funds of owners and creditors are being used and it was efficiently utilized the capital employed.

RETURN ON SHAREHOLDERS' INVESTMENT (ROSI): Investment represents pool of funds supplied by shareholders and lenders, while Profit after tax (PAT) represents residual income of shareholders; therefore, it is conceptually unsound to use PAT in the calculation of ROI. Also, as discussed earlier, PAT is affected by capital structure. It is, therefore more appropriate to use one of the following measures of ROI for comparing the operating efficiency of firms. From the above table-2, we have identified that The ROSI of HUDCO is varied between 5.51 to 9.92 percentages with the average of 9.62 percentages with 8.06 percentage growth rate. The S.D of ROSHI 4.27 and its Co-variance value is 44.39%.

RETURN ON TOTAL ASSETS (ROTA): The ratio of return on total assets represents the capacity of income level over total assets of the firm. Here we noticed that the ROTA of HUDCO over the period of ten years i.e. 2000-01 to 2010-11. The HUDCO was gained a small fraction of growth in terms of ROTA i.e. 1.36 with 0.67 growth rate. The S.D.is 0.59 and the value of CV is 41.91%.

EARNING PER SHARE (EPS): A high EPS relative to the profitability performance implies that the firm's ability of earning capacity. Hence, every firm ultimately tries to increase the EPS which helps to maximise the dividend payment competence in the business world.

FIGURE 1: STATEMENT SHOWING EARNING PERSHARE (EPS) OF HUDCO



Sources: Complied from the Annual Reports of HUDCO

Here we observed that the EPS of HUDCO over the period of more than ten years, it was gradually increased to 200 Rs. by the year 2004-05 but suddenly declined to 130 Rs. due to impact of subprime global financial crisis in the year 2005-06. After that, HUDCO took an initiative to increase the operating income by expanding the market area and it was raised to Rs.275 at the end of the period of study. Finally we conclude that the overall efficiency of HUDCO especially in-terms of profitability had mad remarkably performance even in financial crisis during the last decade.

CONCLUSIONS AND SUGGESTIONS

Profitability and liquidity management is of crucial importance in financial management decision. The most favorable financial performance could be achieved by a company that can trade off between profitability and liquidity performance indicators. The purpose of this study is to find out the financial position of and know the significance of them. Descriptive statistics discloses that performance of the selected unit in terms of liquidity, solvency and profitability position is very satisfactory and relatively efficient financial position is found in all the cases. Therefore, it is suggested that both the institutions under the study should concern on financial profitability, especially unexplained variables in purpose of creating shareholders' wealth**.** On the basis of foregoing analysis, the following conclusions can be made:

1. The overall liquidity position of HUDCO has been fluctuated through the period of study but it always maintain sufficient funds which are more than enough to meet short-term obligations of the concern.
2. The long-term solvency of the selected unit is more than adequate and HUDCO is highly depends on outsiders funds rather than equity funds. Hence the company is better to concentrate to get back the funds from debt to equity funds and also reduce long term financial obligations.
3. The EPS of HUDCO has been fluctuated during the period of study. Initially it was in uptrend and started from Rs.90.77 to Rs.200 by the year 2004-05. It was declined to Rs.130 in the year 2005-06 due to financial crisis and later it has a remarkable improvement if the following period, it was reached to Rs.274.75 by the year 2010-11.

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