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   REVIEW OF LITERATURE

   NEED/IMPORTANCE OF THE STUDY

   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

   SCOPE FOR FURTHER RESEARCH

   ACKNOWLEDGMENTS

   REFERENCES

   APPENDIX/ANNEXURE

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- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

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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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- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

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

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

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WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

FINANCIAL ANALYSIS OF INDIAN OIL CORPORATION LIMITED

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ABSTRACT

Oil & Gas is one of the most important sources of energy and is considered the lifeline of any economy. Oil and gas sector constitutes about 40% of primary energy source in India. The oil and gas is one of the six core industries in India and has very significant forward linkage with the entire economy. India is the fifth largest consumer of petroleum in the world and ninth largest crude oil importer. As per the record of Ministry of Petroleum, over the years Indian petroleum industry has played an influential part in triggering the speedy expansion of the country's economy by contributing 15% in the total GDP. So Indian oil and gas sector is of strategic importance and plays a predominantly pivotal role in influencing decisions in all other spheres of the economy. Keeping in the view the above facts and figures, the usefulness of study becomes crucial for providing better understanding to the various stakeholders for their fruitful investments. The present study will contribute to the enhancement of knowledge and ability of various stakeholders such as shareholders, investors, suppliers, creditors; government bodies, etc. analyze and understand the financial statements easily. Financial analysis is the selection, evaluation and interpretation of financial data, along with other pertinent information, to assist in investment and financial decision making. Financial analysis may be used internally to evaluate issues such as profitability, liquidity, solvency, overall performance, operational efficiency and effectiveness, credit policies and externally the potential investment as well as credit worthiness of borrowers etc. Financial analysis is essential for every firm/company to evaluate its performance in all financial aspects. It is the process of identifying the financial strength and weakness of the firm/company and a tool to compare with industry's financial health. One of the most important and powerful tool of financial analysis is ratio analysis. It indicates the effectiveness of long term as well as short-term financial policies of the firm/company. Financial analysis of Indian Oil Corporation Limited and its financial position can be well judged by profitability ratios (Gross profit ratio, Net profit ratio and Return on investment ratio), liquidity ratio (Current ratio and Quick ratio), Solvency ratio (Debt-Equity ratio, Debt to Total Assets Ratio and proprietary ratio) and Investment ratio(Earning per share and Dividend payout ratio). The study is based on secondary data collected from the Annual Reports of Indian Oil Corporation Limited, Annual Reports of the Ministry of Petroleum and other secondary sources.

KEYWORDS

Financial analysis, IOCL.

INTRODUCTION

Financial analysis is the art and science of examining and drawing inferences from the financial statements. Financial analysis is also known as analysis and interpretation of financial statements. It refers to the process of determining financial strengths and weaknesses of the firm by studying the relationship between the items of balance sheet, profit & loss account and the other operative data. Financial analysis is largely a study of relationship among the various financial factors in a business as disclosed by a single set of statements and a study of these factors as shown in a series of statements.

The financial analyst needs certain tools to be applied on various financial aspects. One of the powerful and widely used tools is ratio. Ratios express the numerical relationship between two or more related variables/values. This relationship can be expressed as percentages, times or proportion of numbers. Accounting ratios are used to describe significant relationships, which exist between figures shown in a balance sheet, in a profit and loss account, in a budgetary control system or in any other part of the accounting organization. Ratio analysis plays an important role in determining the financial strengths and weaknesses of a company relative to that of other companies in the same industry. The analysis also reveals whether the company's financial position has been improving or deteriorating over a period of time.

CORPORATE OVERVIEW

Indian Oil Corporation limited is India's flagship national oil company with business interests across the entire hydrocarbon value chain – from refining, pipeline transportation and marketing of petroleum products to exploration & production of crude oil & gas, marketing of natural gas and petrochemicals. It is the leading Indian corporate in the Fortune 'Global 500' listing, ranked at the 83rd position in the year 2012, over 34,233-strong workforce, Indian Oil Corporation limited has been helping to meet India's energy demands for over half a century. With a corporate vision to be the Energy of India, Indian Oil Corporation limited closed the balance sheet year 2011-12 with a sales turnover of Rs. 4,09,957 crore ($ 85,550 million) and profits of Rs.3,955 crore ($ 825million).

At Indian Oil Corporation limited, operations are strategically structured along business verticals - Refineries, Pipelines, Marketing, R&D Centre and Business Development – E&P, Petrochemicals and Natural Gas. To achieve the next level of growth, Indian Oil Corporation limited is currently forging ahead on a well laid-out road map through vertical integration— upstream into oil exploration & production (E&P) and downstream into petrochemicals – and diversification into natural gas marketing and alternative energy, besides globalization of its downstream operations. Having set up subsidiaries in Sri Lanka, Mauritius and the United Arab Emirates (UAE), Indian Oil Corporation limited is simultaneously scouting for new business opportunities in the energy markets of Asia and Africa.

Indian Oil Corporation limited and its subsidiary (CPCL) account for over 49% petroleum products market share, 31% national refining capacity and 71% downstream sector pipelines capacity in India.

The Indian Oil Group of companies owns and operates 10 out of India's 22 refineries with a combined refining capacity of 65.7 million metric tones per annum (MMTPA) i.e. 1.30 million barrels per day approx. Indian Oil's cross-country network of crude oil and product pipelines spans 11,163 km with a capacity of 77.258

MMTPA of crude oil and petroleum products and 10 MMSCMD of gas. This network is the largest in the country and meets the vital energy needs of the consumers in an efficient, economical and environment-friendly manner.

METHODOLOGY OF THE STUDY

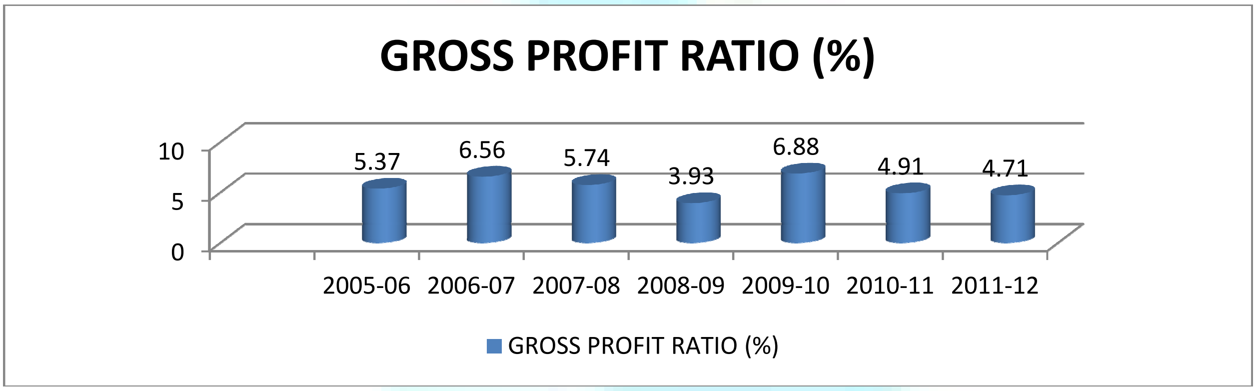
The study is based on secondary data collected for a period of last seven years from the Annual Reports (2005-06 to 2011-12) of Indian Oil Corporation Limited and Annual Reports of the Ministry of Petroleum for (2005-06 to 2011-12). The data collected has been tabulated, classified and analysed to achieve the objectives of the study using key financial ratios like profitability ratios (Gross profit ratio, Net profit ratio and Return on investment ratio), liquidity ratio (Current ratio and Quick ratio), Solvency ratio (Debt-Equity ratio, Debt to Total Assets Ratio and proprietary ratio) and Investment ratio (Earning per share and Dividend payout ratio).

ANALYSIS OF DATA

TABLE 1: GROSS PROFIT RATIO OF INDIAN OIL CORPORATIO LIMITED

YEAR	GROSS PROFIT (Rs. in Crore)	NET SALES (Rs. in crore)	GROSS PROFIT RATIO (%)
2005-06	9931	184822	5.37
2006-07	14622	222826	6.56
2007-08	14339	249805	5.74
2008-09	11319	287760	3.93
2009-10	18872	274406	6.88
2010-11	16336	332898	4.91
2011-12	21600	458964	4.71

Source- Annual report of Indian Oil Corporation Limited



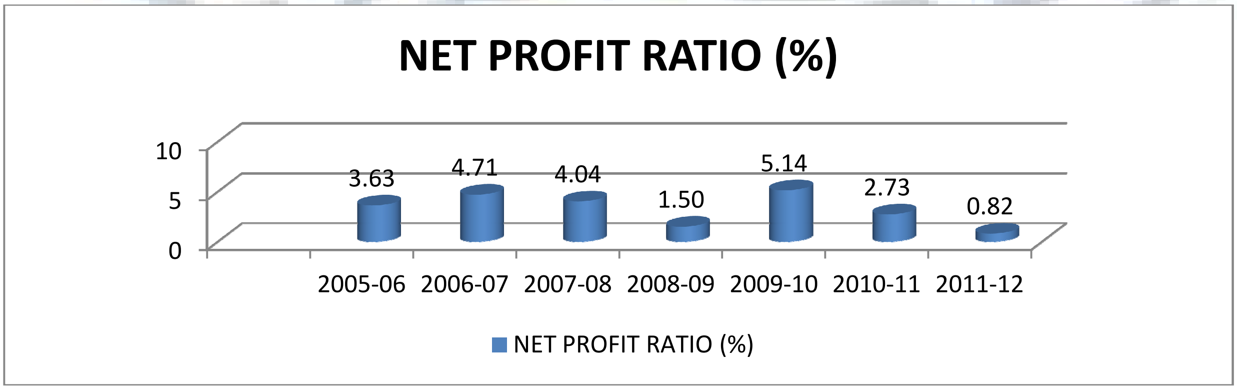
INTERPRETATION

Gross profit ratio is the key indicator of profitability of any organization. It represents the excess of what the organization is able to charge as sales price over the cost of goods sold. From the above Table-1 (Gross profit ratio of Indian oil corporation limited), it is clear that there is no stability in gross profit of the company. In 2005-06 the gross profit of company was 5.37% and increased to 6.56% in 2006-07 which can be said satisfactory position but company could not maintain its position next two years of the study and gross profit decreased to 5.74% in year 2007-08 and 3.93% in year 2008-09 which can not be said satisfactory position from the investors point of view. No doubt company improved it in year 2010-11 when gross profit reached to 6.88% which is highest in period of study but again company could not maintain its position in next two years and gross profit ratio decreased to 4.91 % in year 2010-11 and 4.71% in year 2011-12. In the year 2009-10, the gross profit ratio is the highest during the study. The ratio increased in spite of decrease in sale but gross profit increased drastically which shows the operation efficiency of the company. The company's sale is increasing every year except the year 2009-10. The gross profit could not set any trend during the period of study. The fluctuation in gross profit is because of the amount of gross profit. So it can be concluded that company has failed to stable its gross profit ratio during the period of study which is not good for the company's financial health.

TABLE 2: NET PROFIT RATIO OF INDIAN OIL CORPORATIO LIMITED

YEAR	NET PROFIT (Before Tax) (Rs. in Crore)	NET SALES (Rs. in crore)	NET PROFIT RATIO (%)
2005-06	6706	184822	3.63
2006-07	10485	222826	4.71
2007-08	10080	249805	4.04
2008-09	4329	287760	1.50
2009-10	14106	274406	5.14
2010-11	9096	332898	2.73
2011-12	3754	458964	0.82

Source- Annual report of Indian Oil Corporation Limited



INTERPRETATION

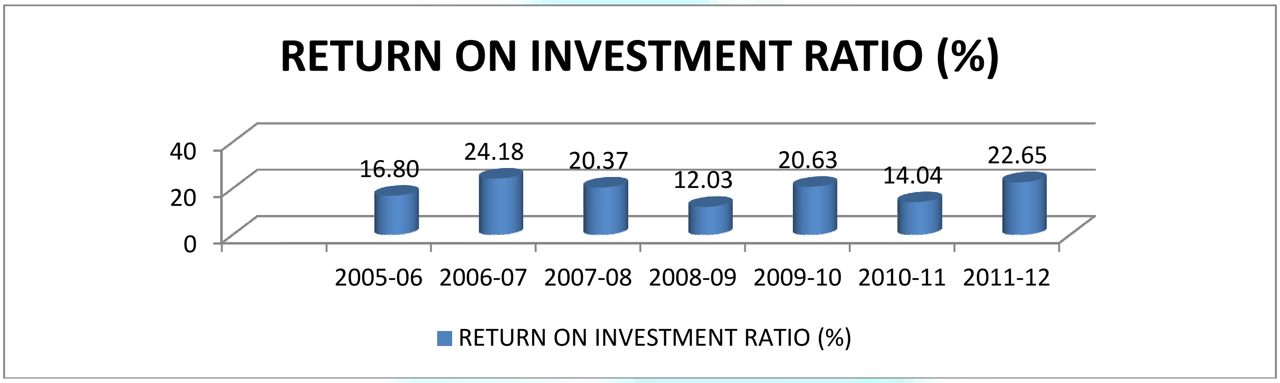
The net profit ratio establishes the relationship between net profit and sales, and indicates the overall efficiency of the management in manufacturing, selling, administrative and other activities of the firm. This ratio also gives the firm's capacity to face adverse economic conditions such as price competition, low demand etc. Obviously higher the ratio, the better is the profitability.

From the above figures it is clear that like gross profit ratio company also failed to stabilize its net profit ratio. In 2005-06 the net profit ratio was 3.63% which can not be said satisfactory but company improved ratio in 2006-07 to 4.71% but failed to maintain its position in 2007-08 and net profit ratio decreased to 4.04% and continuously decreased in 2008-09 when net profit ratio reached down to 1.5% due to inefficiency in operation as well as in management which is not a good indication to investors. In 2009-10 company recovered from this situation and net profit ratio increased to 5.14% which more than three times from the previous but company could not maintain this good position for long time and net profit ratio decreased in next two years. In 2010-11 it become 2.73% and in 2011-12 that is last year of this study was just 0.82% and lowest in the study period which is a matter of worry to the company. This trend can not be said satisfactory from the point of view of investors, creditors, lenders etc. Net profit ratio almost shows the trend of gross profit ratio.

TABLE 3: RETURN ON INVESTMENT OF INDIAN OIL CORPORATIO LIMITED

YEAR	EBIT	CAPITAL EMPLOYED	RETURN ON INVESTMENT (%)
	(Rs. in Crore)	(Rs. in crore)	
2005-06	7728	46008	16.80
2006-07	11990	49581	24.18
2007-08	11631	57108	20.37
2008-09	8281	68812	12.03
2009-10	15632	75759	20.63
2010-11	11769	83804	14.04
2011-12	17058	75295	22.65

Source- Annual report of Indian Oil Corporation Limited



INTERPRETATION

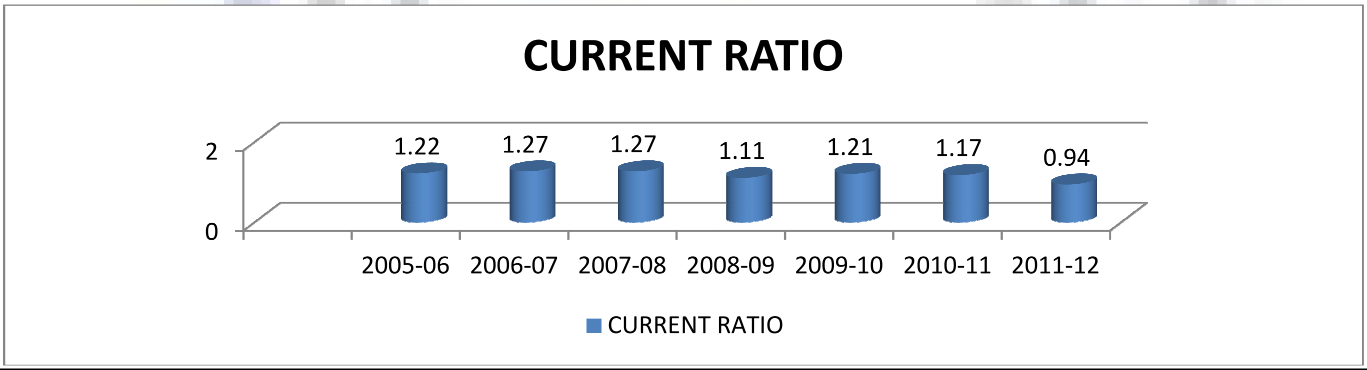
Return on investment ratio is the most widely used tool to measure company performance, managerial effectiveness, level of profitability, planning and control. Those who finance the company in the form of equity and debt measure the company's performance with this tool. This ratio links the profit and the investment required to generate the former. It also helps to asses a company's return relative to its capital investment risk, since riskier investment is expected to yield higher return.

From the above analysis it is clear that in the year 2005-06 return on investment ratio is 16.80% and improved to 24.18% in 2006-07 which is highest during the period of study. But company could not maintain it in next two years of study and ratio decreased to 12.03% in 2008-09 which is almost half from the year 2006-07 which shows the inability of company to control its operating expenditure as well as use of fund. But company recovered this situation in very next year 2009-10 when ratio increased to 20.63% .The company can not sustain the improvement and it came down to 14.04% in the next year. In 2011-12 company improved ratio by almost 55% when return on investment ratio reached to 22.65% which is second highest of the period of study. The capital employed is increasing every year except the year 2011-12, the fluctuation in Return on investment is because of the Earning before interest and tax. So the company is unable to maintain Earning before interest and tax with respect to capital employed.

TABLE 4: CURRENT RATIO OF INDIAN OIL CORPORATIO LIMITED

YEAR	CURRENT ASSETS	CURRENT LIABILITIES	CURRENT RATIO
	(Rs. in Crore)	(Rs. in crore)	
2005-06	43051	35375	1.22
2006-07	53366	42064	1.27
2007-08	68691	54082	1.27
2008-09	61502	55516	1.11
2009-10	77273	64112	1.21
2010-11	98162	83576	1.17
2011-12	121727	129323	0.94

Source- Annual report of Indian Oil Corporation Limited



INTERPRETATION

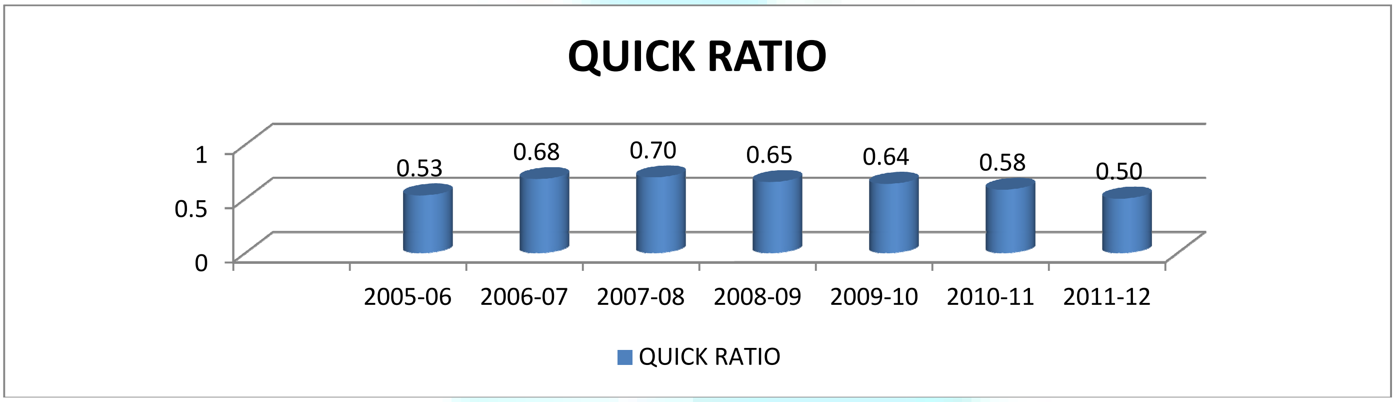
Current ratio is the most important tool to measure the short term liquidity. It indicates the firm's ability to pay its current liabilities out of its current assets. It shows the firm's commitment to meet its short term (Current Liabilities). The ideal current ratio of firm should be 2:1 however it is difficult to reach the standard for every firm.

In case of Indian Oil Corporation Limited the average current ratio of the study period is 1.17 and company could not achieved ideal ratio in any year during the study period and company is so far from standard which shows that the liquidity position of the company is not satisfactory and company could not maintain proper level of current assets to meet its current liabilities. In 2005-06 the current ratio was 1.22:1 which improved to 1.27:1 in 2006-07 and it was stable in 2007-08 but company failed to maintain it in 2008-09 when current ratio decreased to 1.11:1. During the year 2009-10 company improved it to 1.21:1 but could not sustain it in next two years and ratio decreased to 1.17:1 in 2010-11 and .94:1 in 2011-12. In the last year of the study current ratio is 0.94, it means current assets are less than current liabilities which may result in the increase of liquidity risk and a matter of worry to creditors & short term lenders.

TABLE 5: QUICK RATIO OF INDIAN OIL CORPORATIO LIMITED

YEAR	QUICK ASSETS (Rs. in Crore)	CURRENT LIABILITIES (Rs. in crore)	QUICK RATIO
2005-06	18774	35375	0.53
2006-07	28663	42064	0.68
2007-08	37749	54082	0.70
2008-09	36352	55516	0.65
2009-10	40869	64112	0.64
2010-11	48877	83576	0.58
2011-12	64898	129323	0.50

Source- Annual report of Indian Oil Corporation Limited

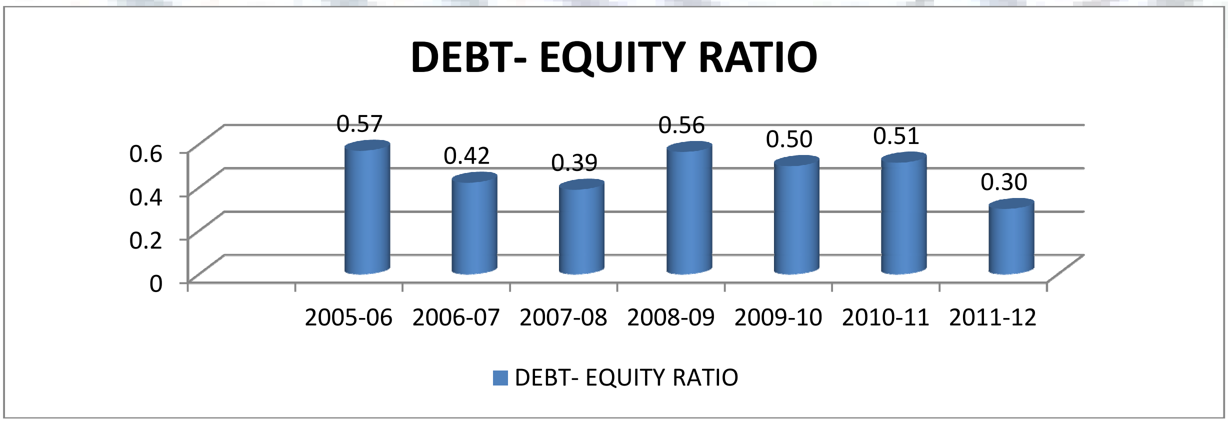


INTERPRETATION

This ratio is a supplementary to current ratio which gives double assurance to creditors as to the soundness of the current financial position of a business. This ratio is calculated by dividing the quick assets by current liabilities. It represents the number of times current liabilities are covered by quick assets and indicated the firm's ability to pay its current liabilities out of its quick assets. Quick assets are the assets which are either cash or easily convertible in to cash without any major loss in the value. The ideal quick ratio of company should be 1:1. But from the analysis of the above table the average quick ratio is 0.61:1 and company could not achieved ideal ratio in any year. During the study period quick ratio increased in first three years but decreased in next fours years however both quick assets and current liabilities are increasing (except 2008-09 when quick assets decreased marginally), but ratio is fluctuating regularly due to change in proportion. it indicates that quick assets are not able to meet current liabilities and this is a matter of worry to company.

TABLE 6: DEBT- EQUITY RATIO OF INDIAN OIL CORPORATIO LIMITED

YEAR	LONG TERM DEBTS (Rs. in Crore)	EQUITY (Rs. in crore)	DEBT- EQUITY RATIO
2005-06	16705	29303	0.57
2006-07	14724	34857	0.42
2007-08	16022	41086	0.39
2008-09	24814	43998	0.56
2009-10	25206	50553	0.50
2010-11	28472	55332	0.51
2011-12	17418	57877	0.30



Source- Annual report of Indian Oil Corporation Limited

INTERPRETATION

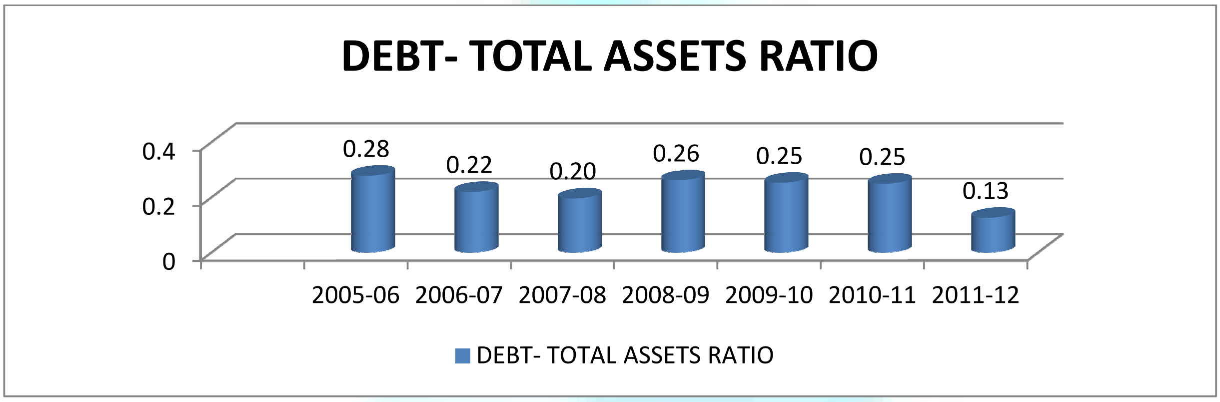
Debt – Equity ratio determines the soundness of the long-term financial policies of the company and also measures the relative investment proportion of outsider's fund and shareholder's fund in the company. High degree of debt-equity ratio indicates high degree of leverage which leads to increase earning per share because debt is assumed to be less costly source of fund but another side higher ratio also increases higher level of solvency risk.

Average Debt-Equity ratio of Indian Oil Corporation Limited is 0.46 which means company is not taking advantage of debt fund. In 2005-06 it was 0.57 but decreased in next two years as 0.42 in the year 2006-07 and 0.39 in 2007-08 and it improved in the year 2008-09 when ratio reached to 0.56 but this improvement could not seen in next three years and ratio decreased up to 0.30 which lowest in the study period. It means company is not taking advantage of debt fund which is assumed to be less costly in comparison to ownership fund and crucial to shareholders' point of view.

TABLE 7: DEBT- TOTAL ASSETS RATIO OF INDIAN OIL CORPORATIO LIMITED

YEAR	LONG TERM DEBT (Rs. in Crore)	TOTAL ASSETS (Rs. in crore)	DEBT- TOTAL ASSETS
2005-06	16705	60072	0.28
2006-07	14724	67163	0.22
2007-08	16022	81869	0.20
2008-09	24814	94911	0.26
2009-10	25206	99857	0.25
2010-11	28472	114388	0.25
2011-12	17418	138546	0.13

Source- Annual report of Indian Oil Corporation Limited



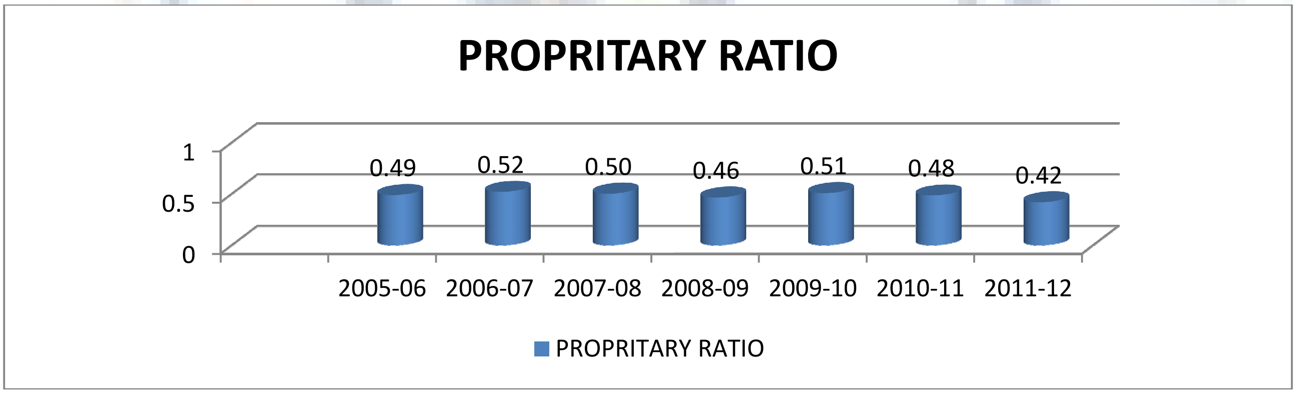
INTERPRETATION

Debt to total assets ratio measure the extent to which assets are financed with the long term borrowed capital (debt capital). If more assets are financed with debt capital, the difference between return on assets and cost of debt capital directly goes to equity shareholders which in turn increase the wealth of the shareholders. In the case of Indian Oil Corporation the ratio continuously decreased in the first three years of the study then increased in the year 2008-09 but could not sustained and marginally decreased in year 2009-10 than remains constant for one year. In the year 2011-12 which is the last year of study both long term debts and total assets decreased and the ratio also decreased to 0.13, lowest of the study period which is not good from the capital structure point of view. Company should use more borrowed capital to finance its long term assets.

TABLE 8: PROPRIETARY RATIO OF INDIAN OIL CORPORATIO LIMITED

YEAR	PROPRIETARY VALUE (Rs. in Crore)	TOTAL ASSETS (Rs. in crore)	PROPRITARY RATIO
2005-06	29303	60072	0.49
2006-07	34857	67163	0.52
2007-08	41086	81869	0.50
2008-09	43998	94911	0.46
2009-10	50553	99857	0.51
2010-11	55332	114388	0.48
2011-12	57877	138546	0.42

Source- Annual report of Indian Oil Corporation Limited



INTERPRETATION

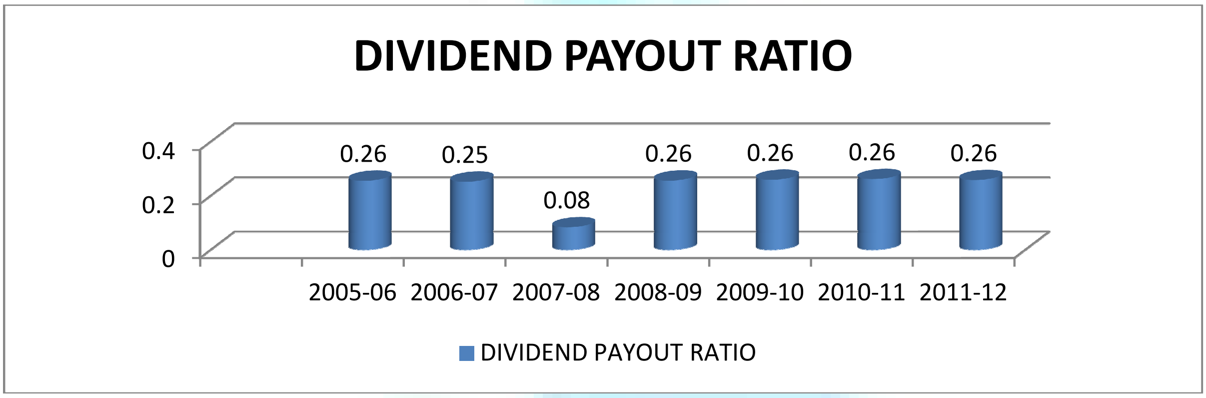
This is a variant of the debt-to-equity ratio. It is also known as equity ratio or net worth to total assets ratio. This ratio relates the shareholder's funds to total assets. Proprietary / Equity ratio indicates the long-term or future solvency position of the business. Shareholder's funds include equity share capital plus all reserves and surpluses items. Total assets include all assets, excluding fictitious assets. In that case the total shareholder's funds are to be divided by total tangible assets. This ratio throws light on the general financial strength of the company. It is also regarded as a test of the soundness of the capital structure. Higher the ratio or the share of shareholders' fund in the total capital of the company better is the long-term solvency position of the company. A low proprietary ratio will include greater risk to the creditors.

In case of Indian Oil Corporation Limited, the ratio continuously increased in first two years. But this ratio decreased from the year 2007-08 to year 208-09 and firm improved this ratio in year 2009-10 but could not maintain it in last two year of the study when ratio decreased to 0.48 in 2010-11 and 0.42 in 2011-12 which is not good for the shareholders point of view.

TABLE 9: DIVIDEND PAYOUT RATIO OF INDIAN OIL CORPORATION LIMITED

YEAR	DIVIDEND PER SHARE (Rs. Per Equity share)	EARNING PER SHARE (Rs. Per Equity share)	DIVIDEND PAYOUT RATIO
2005-06	10.74	42.08	0.26
2006-07	15.84	62.89	0.25
2007-08	4.86	58.39	0.08
2008-09	6.22	24.30	0.26
2009-10	10.90	42.10	0.26
2010-11	8.02	30.66	0.26
2011-12	4.20	16.29	0.26

Source- Annual report of Indian Oil Corporation Limited



INTERPRETATION

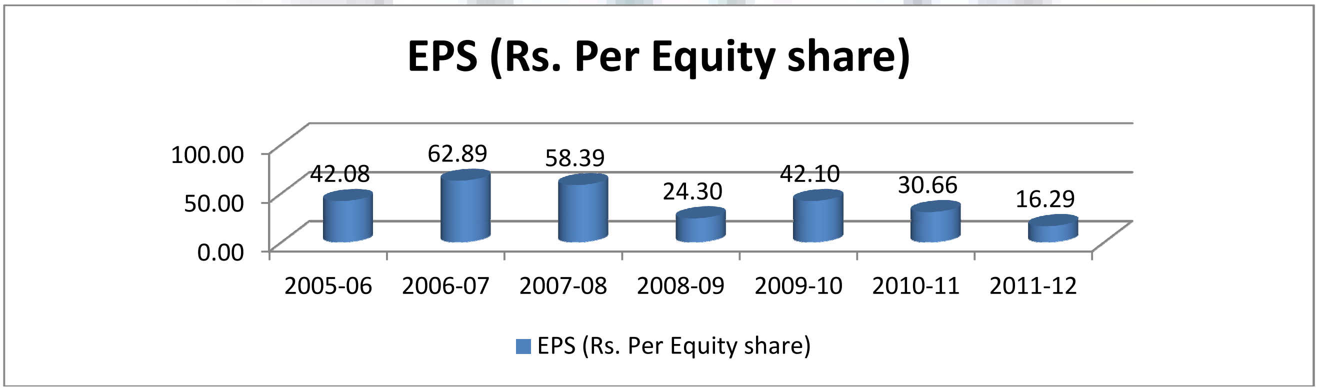
Dividend payout ratio is the fraction of net income a firm pays to its shareholders in the form of dividends. The part of the earnings not paid to investors is left for reinvestment to provide for future earnings and growth. Investors seeking high current income and limited capital growth or provide growth in future earnings, prefer companies with high Dividend payout ratio. However, investors seeking capital growth may prefer lower payout ratio because capital gains are taxed at a lower rate. High growth firms in early life generally have low or zero payout ratios. As they mature, they tend to return more of the earnings back to investors.

In Indian oil corporation limited dividend pay out ratio is almost stable as 0.26 in every excluding the year 2007-08 in which it was only 0.08. This shows company is following stable dividend policy.

TABLE 10: EARNING PER SHARE OF INDIAN OIL CORPORATIO LIMITED

YEAR	PAT(Available for Equity shareholders) (Rs. in Crore)	NO. OF EQUITY SHARES(Face Value Rs. 10) (Rs. in crore)	EPS (Rs. Per Equity share)
2005-06	4915	116.8	42.08
2006-07	7499	119.24	62.89
2007-08	6963	119.24	58.39
2008-09	2950	121.4	24.30
2009-10	10221	242.8	42.10
2010-11	7445	242.8	30.66
2011-12	3955	242.8	16.29

Source- Annual report of Indian Oil Corporation Limited



INTERPRETATION

The earning per share is a good measure of the profitability. It indicates whether earning power of the company has increased over the years or not. It helps in calculating market price of the share as well as in comparison of earning power with other firms. It is used by investors to measure the operating performance and for valuation purpose either individually or together with market price.

In the year 2005-06 earning per share of Indian Oil Corporation Limited was 42.08 which increased to 62.89 in next year but it decreased in next two year to 58.39 in the year 2007-08 and 24.3 in the year 2008-09. Company recovered earning per share in 2009-10 but could not maintain this situation in next two and last years of study period. In 2010-11 it was 30.66 and 16.29 in 2011-12 which is the lowest during the period of study which is not good from the equity shareholders' point of view. The overall position of earning per share is good and showing the ability of company to use its equity capital in efficient way.

CONCLUSION
After the study of financial analysis of Indian Oil Corporation Limited from various financial aspects like profitability, liquidity and solvency, activity and investment, it can be concluded that the profitability position of the company can not be said satisfactory because the Gross Profit Ratio varies from 3.93% to 6.88 % with the average of 5.3%. The gross profit ratio of 5.3% needs to be improved. The second ratio of profitability is net profit ratio which varies from 0.82% to 5.14% with the average of 3.22%. The net profit ratio of 3.22% is not satisfactory from any point of view so company should concentrate on minimization of the expenses. The third measure of profitability taken in the study is return on investment which varies from 12.03% to 24.18% with an average of 18.67%. The return of 18.67% on investment to the investors can be said good and it seems to be an average return on any investment. The fourth and last measure of profitability is return on equity varies from 6.70% to 21.51% with an average of 14.63% which can be said satisfactory but company need to improve the quality of financial decision so that the wealth of equity shareholder' can be maximized.

The short term solvency is measured by the current ratio and quick ratio. The ideal current ratio is 2:1 but undoubtedly the ideal ratios can not be applied in each and every industry. The company never even touched the ideal current ratio. It varies from 0.94:1 to 1.27:1 with an average of 1.17:1 which is much less than the ideal ratio. Company needs to improve this ratio. The second ratio of liquidity is quick ratio; ideally it should be 1:1. In the case of the Indian oil corporation limited, it varies from 0.50:1 to 0.70:1 with an average of 0.61:1. As in the case of current ratio the company was unable to even touch the ideal quick ratio during the period of the study which may create problem to the short term liquidity.

The long term solvency is measured by Debt-Equity ratio, Debt to Total Assets ratio, Proprietary ratio and Interest coverage ratio. Debt –Equity ratio of the company varies from 0.30 to 0.57 with an average of 0.46 which is much lower and shows that the company is not taking benefit of leverage. As the debt capital is presumed to be less costly to the equity, company should get benefit by restructuring its capital structure. The second measure of long term solvency is taken Debt to Total Assets ratio, which varies from 0.13 to 0.28 with an average of 0.23 which shows the solvency position of the firm is good. The firm can finance more assets with borrowed capital to take the advantage of so-called less costly capital. The third measure of long term solvency taken is Proprietary ratio which varies from 0.42 to 0.52 with an average of 0.48, which express the less risk of insolvency of the firm. The fourth and last measure of long term solvency is interest coverage ratio which varies from 3.05 to 10.24 with an average of 6.12 which can be said satisfactory and company is able to pay charges of interest.

The efficiency in the operation of firm can be measured by Fixed Assets turnover ratio and Working capital turnover ratio. Fixed assets turnover ratio of company varies from 5.72 to 8.27 with an average of 7.14 which can be said as good and shows that company is using its fixed assets efficiently. Second and last efficiency ratio is working capital turnover ratio which varies from 0 to 48.07 times with an average of 21.81 which be said satisfactory.

The investment opportunities in equity shares can be measured by Dividend Payout ratio and Earning per share. First dividend ratio varies from 0.08 to 0.26 with an average of 0.23 which shows that company is paying good dividend and company has good opportunities to invest in new projects. The second investment ratio is earning per share which varies from 16.29 to 62.89 which is also good position and shows company is able to increase shareholders' wealth.

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