

# A Study on the Analysis of Financial Performance with reference to PTL Enterprises Ltd.

\*<sup>1</sup>Paresh Shantaram Khetal and <sup>2</sup>Dr. H. C. Sardar

<sup>1</sup>Research Scholar, S. D. School of Commerce, Gujarat University, Ahmedabad, Gujarat State

<sup>2</sup>Professor-Accountancy, S. D. School of Commerce, Gujarat University, Ahmedabad, Gujarat State

## Abstract

Financial analysis is the method of reviewing companies, programs, expenditures, and other activities relevant to finance to assess their performance and appropriateness. Financial analysis is usually used to determine whether an enterprise is sufficiently stable, solvent, liquid, or competitive to warrant a monetary investment. Financial analysis is used to assess economic trends, set monetary policies, build long-term business activity plans, and identify investment projects or companies. This is achieved using the financial numbers and data synthesis. A financial analyst must scrutinize the financial statements of a company - the statement of income, the balance sheet, and the statement of cash flow. The study is carried out for the period of five financial years (2014-2015 to 2018-2019). Secondary data are based on the annual reports of 2014-2015 to 2018-2019 of PTL Enterprises Ltd. (Indian Tyre Company). The various tools used for the study are ratio analysis and t-Test. One of the most common methods of evaluating financial data is to derive ratios from the data in the financial statements to be compared with those of other firms or against the past output of the company itself.


**Keywords:** Net Profit Ratio, Interest Coverage Ratio, Earning Per Share Ratio, Dividend Per Share Ratio, Proprietary Ratio.


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## \*Author's Correspondence


 Paresh Shantaram Khetal

 Research Scholar, S. D. School of Commerce, Gujarat University, Ahmedabad, Gujarat State

 pareshkhetal[at]rediffmail.com

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## 1. Introduction

Financial analysis is the method of reviewing companies, programs, expenditures, and other activities relevant to finance to assess their performance and appropriateness. Financial analysis is usually used to determine whether an enterprise is sufficiently stable, solvent, liquid, or competitive to warrant a monetary investment.

Financial analysis is used to assess economic trends, set monetary policies, build long-term business activity plans, and identify investment projects or companies. This is achieved using the financial numbers and data synthesis. A financial analyst must scrutinize the financial statements of a company - the statement of income, the balance sheet, and the statement of cash flow.

One of the most common methods of evaluating financial data is to derive ratios from the data in the financial statements to be compared with those of other firms or against the past output of the company itself.

The Indian Tyre Industry is an essential part of the auto sector and its fortunes are interdependent on those of the Automobile players.

## 2. Objectives of the Study

- To study the financial performance of PTL Enterprises Ltd. (Indian Tyre Company) using various Financial as well as Statistical Tools.

- To study and analyze the profitability position of the company using various profitability ratios and t-Test.
- To study and examine the leverage position of the company using various leverage ratios and t-Test.
- To study and evaluate the liquidity position of the company using various liquidity ratios and t-Test.
- To study and explore the efficiency position of the company using various efficiency ratios and t-Test.

### 3. Review of Literature

**S Ramya, Porgeetha Angel R and Pavithra SR (2018)** have studied in their Research Paper regarding **‘An Analysis of Financial Performance of Apollo Tyres.’** They have examined on the basis of analysis for the period from 2013 to 2017 that the firm with a relatively high level of combined leverage was seen as riskier than a firm with less combined leverage, as the high leverage means more fixed costs to the firm. The firm was highly liquid in the earlier year and after that it started to decrease in the succeeding years. The proprietary ratio has also indicated a good long-term solvency position in the earlier year and thereafter it has shown fluctuating trend. Net profit ratio has expressed that the firm is earning good profits which shows the efficient and effective management of the functions of the business. They have given conclusion with the help of using ratios and leverage.

**S. Kumar & Dr. N. Sarvanan (2019)** have studied in their Research Paper regarding **‘A Study on Financial Performance: A Comparative Analysis of MRF tyres Industries Ltd. and selected Tyre Companies in India.’** They have found that MRF Ltd. must have to utilize fixed assets. MRF Ltd. should control its administration and non-operating expenses. MRF Ltd. should reduce the cost so that earnings per share will increase and which will give a better profit margin for the shareholders. MRF Ltd. should adopt an ideal capital structure and make optimum utilization of resources. MRF Ltd. should control fluctuations in cash and bank balances as it impacts the current ratio of the company and also control heavy increase in cost of manufacturing and administration.

### 4. Hypothesis

A hypothesis (plural hypotheses) is a precise, testable statement of what the researcher(s) predict will be the outcome of the study.

This usually involves proposing a possible relationship between two variables: the independent variable (what the researcher changes) and the dependent variable (what the research measures).

In research, there is a convention that the hypothesis is written in two forms:

- Null hypothesis, and
  - Alternative hypothesis (called the experimental hypothesis when the method of investigation is an experiment).
1. There is/no any significant difference in Net Profit Ratio of selected tyre company under study.
  2. There is/no any significant difference in Interest Coverage Ratio of selected tyre company under study.
  3. There is/no any significant difference in Earning Per Share Ratio of selected tyre company under study.
  4. There is/no any significant difference in Dividend Per Share Ratio of selected tyre company under study.
  5. There is/no any significant difference in Debt-Equity Ratio of selected tyre company under study.
  6. There is/no any significant difference in Proprietary Ratio of selected tyre company under study.
  7. There is/no any significant difference in Current Ratio of selected tyre company under study.
  8. There is/no any significant difference in Quick Ratio of selected tyre company under study.
  9. There is/no any significant difference in Total Assets Turnover Ratio of selected tyre company under study.
  10. There is/no any significant difference in Value of Annual Sales of selected tyre company under study.

## 5. Analysis and Interpretations:

### 5.1 Ratio Analysis:

#### 5.1.1 Net Profit Ratio:

**Table-5.1.1.1:** Showing Value of Net Profit Ratio (In %)

(Rs.in Lakhs)

Year	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Net Profit After Tax	1,504.73	2,423.83	3,061.98	4,583.39	3,985.34
(÷) Net Sales	4,000.00	4,583.33	5,000.00	6,026.42	6,322.15
	<b>37.62</b>	<b>52.88</b>	<b>61.24</b>	<b>76.05</b>	<b>63.04</b>

Source: Secondary Data from Annual Report of PTL Enterprises Ltd.

#### Interpretation

From the above table it can be found that the company has earned good amount of profits in the financial year 2017-2018 (76.05%) which is the maximum level of profit in comparison to other financial years. In the financial years 2016-2017 as well as 2018-2019, the company has also earned satisfactory amount of profit i.e. 61.24% & 63.04% respectively. In the year 2014-2015 as well as 2015-2016, the company has earned moderate amount of profit i.e. 37.62% & 52.88% respectively. So overall it can be said that profitability of the company was satisfactory during the whole selected study time period.

#### 5.1.2 Interest Coverage Ratio:

**Table-5.1.2.1:** Showing Value of Interest Coverage (In Times)

(Rs.in Lakhs)

Year	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
EBIT	3,125.94	4,261.37	4,660.86	6,671.05	6,018.19
(÷) Interest	802.36	500.07	0.00	613.65	191.74
	<b>3.90</b>	<b>8.52</b>	<b>0.00</b>	<b>10.87</b>	<b>31.39</b>

Source: Secondary Data from Annual Report of PTL Enterprises Ltd.

#### Interpretation

From the above table it can be interpreted that in the year 2018-2019, Interest Coverage Ratio is 31.39 times which was absolutely highest in comparison to other financial years. In the financial years 2015-2016 and 2017-2018, Interest Coverage Ratio has remained at 8.52 times & 10.87 times which exhibited that during these both financial years, the company has satisfactory level of interest coverage to handle fixed-charge liabilities at all. Whereas in the financial years 2014-2015 and 2015-2016, this ratio has remained at 3.90 times and 0.00 times respectively which was below moderate level, which showed that the company was not in a position to make payment for the burden of interest on fixed-charge liabilities.

#### 5.1.3 Earning Per Share Ratio:

**Table-5.1.3.1:** Showing Value of Earning Per Share (In Rupees)

(Rs.in Lakhs)

Year	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
PAT	1,504.73	2,423.83	3,061.98	4,583.39	3,985.34
(-)Preference Dividend	0.00	0.00	0.00	0.00	0.00
Profit available to Equity Shareholders	1,504.73	2,423.83	3,061.98	4,583.39	3,985.34
(÷) No. of Equity Shares	6,61,88,500	6,61,88,500	6,61,88,500	6,61,88,500	6,61,88,500
	<b>2.27</b>	<b>3.66</b>	<b>4.63</b>	<b>6.92</b>	<b>6.02</b>

Source: Secondary Data from Annual Report of PTL Enterprises Ltd.

#### Interpretation

From the above table it can be found that in the financial years 2017-2018 and 2018-2019, Earning Per Share Ratio has remained at higher level i.e. at Rs.6.92/- and Rs.6.02/- respectively. This exhibits that the

more amount of profit is available to Equity Shareholders on per share basis. Whereas in the financial years, 2015-2016 and 2016-2017, this ratio has remained at moderate level i.e. at Rs.3.66/- & Rs.4.63/- respectively. Whereas in the financial year 2014-2015, Earning Per Share Ratio has remained at lowest level i.e. at Rs. 2.27/- only which shows that least amount of profit was available to Equity Shareholders on per share basis.

#### 5.1.4 Dividend Per Share Ratio:

**Table-5.1.4.1:** Showing Value of Debt-Equity Ratio (In Times)

(Rs.in Lakhs)

Year	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Total Dividend paid to Equity Shareholders	774.38	796.63	796.63	898.06	1595.87
(÷) No. of Equity Shares	6,61,88,500	6,61,88,500	6,61,88,500	6,61,88,500	6,61,88,500
	<b>1.17</b>	<b>1.20</b>	<b>1.20</b>	<b>1.36</b>	<b>2.41</b>

**Source:** Secondary Data from Annual Report of PTL Enterprises Ltd.

#### Interpretation

From the above table it can be interpreted that in the financial year 2018-2019, Dividend Per Share Ratio has remained at higher level i.e. at Rs.2.41/-. This shows that the more amount of profit is distributed to Equity Shareholders on per share basis in the form of equity dividend. Whereas in the financial years, 2014-2015 to 2017-2018, this ratio has remained at lower level which shows that smallest amount of profit was distributed to Equity Shareholders on per share basis in the form of equity dividend.

#### 5.1.5 Debt-Equity Ratio:

**Table-5.1.5.1:** Showing Value of Debt-Equity Ratio (In Times)

(Rs.in Lakhs)

Year	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Total Debts	12,944.07	9,635.95	9,436.05	19,830.09	20,212.56
(÷) Owners' Funds	8,830.89	68,097.11	54,296.79	47,204.50	48,789.17
	<b>1.47</b>	<b>0.14</b>	<b>0.17</b>	<b>0.42</b>	<b>0.41</b>

**Source:** Secondary Data from Annual Report of PTL Enterprises Ltd.

#### Interpretation

From the above table it can be found that the Debt-Equity Ratio in the year 2014-2015 was 1.47 times which was the highest during the whole study period and showed acceptance of severe conditions from the lenders while borrowing money. But for the remaining financial years during the study period, the Debt-Equity Ratio has overall remained lower which was not profitable from the view point of equity shareholders as benefit of trading on equity was not possible and the rate of equity dividend has also remained comparatively lowest.

#### 5.1.6 Proprietary Ratio:

**Table-5.1.6.1:** Showing Value of Proprietary Ratio (In Times)

(Rs.in Lakhs)

Year	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Proprietors' Funds	8,830.89	68,097.11	54,296.79	47,204.50	48,789.17
(÷) Total Funds	21,774.96	77,733.06	63,732.84	67,034.61	69,001.73
	<b>0.41</b>	<b>0.88</b>	<b>0.85</b>	<b>0.70</b>	<b>0.71</b>

**Source:** Secondary Data from Annual Report of PTL Enterprises Ltd.

#### Interpretation

From the above table it can be found that the Proprietary Ratio was at its lowest in the year 2014-2015 (0.41 times). Whereas in the remaining financial years it has increased and remained at higher level. Thus, it can

be said that the financial position of the company has become stronger and the proprietors have provided larger funds to acquire the assets.

### 5.1.7 Current Ratio:

**Table-5.1.7.1:** Showing Value of Current Ratio (In Times)

Year	(Rs.in Thousands)				
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Current Assets	1,603.72	1,382.94	3,010.81	3,146.06	199.46
(-) Current Liabilities	4,116.97	2,772.51	2,481.50	1,205.63	1,619.50
	<b>0.39</b>	<b>0.50</b>	<b>1.21</b>	<b>2.61</b>	<b>0.12</b>

**Source:** Secondary Data from Annual Report of PTL Enterprises Ltd.

### Interpretation

From the above table it can be observed that in the financial year 2017-2018 the Current Ratio was 2.61 times which was the highest during the whole study period. Thus, it can be said that the company was highly liquid in the year 2017-2018. In financial year 2016-2017 it has remained at moderate level i.e. 1.21 times. Whereas in the financial years 2014-2015; 2015-2016 & 2018-2019 it has remained at lowest level than the ideal norm which is 2:1.

### 5.1.8 Quick Ratio:

**Table-5.1.8.1:** Showing Value of Quick Ratio (In Times)

Year	(Rs.in Lakhs)				
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Current Assets	1,603.72	1,382.94	3,010.81	3,146.06	199.46
(-) Inventories	5.52	5.52	5.52	0.00	0.00
(-) Trade Receivables	15.15	1.32	0.00	0.00	0.00
Quick Assets	1,583.05	1,376.10	3,005.29	3,146.06	199.46
(-) Current Liabilities	4,116.97	2,772.51	2,481.50	1,205.63	1,619.50
	<b>0.38</b>	<b>0.50</b>	<b>1.21</b>	<b>2.61</b>	<b>0.12</b>

**Source:** Secondary Data from Annual Report of PTL Enterprises Ltd.

### Interpretation

From the above table it can be found that the Quick Ratio has remained at higher level in the financial years 2016-2017 and 2017-2018 during the whole study period. In the years 2014-2015 and 2015-2016, it has remained at 0.38 times and 0.50 respectively which was lower during the whole study period. Whereas in the financial year 2018-20179 it became 0.12 times which was the least during the whole study period.

### 5.1.9 Total Assets Turnover Ratio

**Table-5.1.9.1:** Showing Value of Total Assets Turnover Ratio (In Times)

Year	(Rs.in Lakhs)				
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Net Sales	4,000.00	4,583.33	5,000.00	6,026.42	6,322.15
(-) Total Assets	21,774.96	77,733.06	63,732.84	67,034.61	69,001.73
	<b>0.18</b>	<b>0.06</b>	<b>0.08</b>	<b>0.09</b>	<b>0.09</b>

**Source:** Secondary Data from Annual Report of PTL Enterprises Ltd.

### Interpretation

From the above table it can be said that in the financial year 2014-2015 (2.57%) Total Assets Turnover Ratio has remained at 0.18 times which is the highest compared to other financial years. But in the financial years 2015-2016 to 2018-2019, it has remained at lowest level. So overall it can be said that efficiency of the company was not satisfactory during the whole selected study period.

5.1.10 Value of Annual Sales

Table-10: Showing Value of Annual Sales (In Lakhs)

(Rs.in Lakhs)					
Year	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Net Sales	4,000.00	4,583.33	5,000.00	6,026.42	6,322.15

Source: Secondary Data from Annual Report of PTL Enterprises Ltd.

Interpretation

From the above table it can be found that the company has achieved highest volume of sales in the financial year 2018-2019 (Rs. 6,322.15 Lakhs) which is the extreme level compared to other financial years. It also becomes cleared from the above table that there is an increasing trend in the value of annual sales. So it can also be interpreted that the management of the company is really doing hard efforts to maintain the volume of sales at utmost level. So overall it can be said that annual turnover position of the company was appropriate during the whole selected study period.

5.2 Statistical Analysis with the help of t-Test: One-Sample test:

Table-5.2.1: t-Test One-Sample test for Net Profit Ratio:

	NET PROFIT RATIO (IN %)
Mean	58.166
Variance	200.781
Observations	5
Hypothesized Mean	0
Df	4
t Stat	9.179
P(T<=t) two-tail	0.001
t Critical two-tail	2.776
5% Level of Significance	Significant

Conclusion:

From the above table it is exhibited that, t- Test is applied and we conclude that ‘t’ calculated value is 9.179 and t-Table value is 2.776, so we can say that here ‘t’ calculated value is more than t-Table value. Hence the given hypothesis is rejected.

Table-5.2.2: t-Test One-Sample test for Interest Coverage Ratio:

	INTEREST COVERAGE RATIO (IN TIMES)
Mean	10.936
Variance	148.327
Observations	5
Hypothesized Mean	0
Df	4
t Stat	2.008
P(T<=t) two-tail	0.115
t Critical two-tail	2.776
5% Level of Significance	Non-Significant

Conclusion:

From the above table it is exhibited that, t- Test is applied and we conclude that ‘t’ calculated value is 2.008 and t-Table value is 2.776, so we can say that here ‘t’ calculated value is less than t-Table value. Hence the given hypothesis is accepted.

**Table-5.2.3: t-Test One-Sample test for Earning Per Share Ratio:**

	EARNING PER SHARE RATIO (IN RUPEES)
Mean	4.700
Variance	3.416
Observations	5
Hypothesized Mean	0
Df	4
t Stat	5.687
P(T<=t) two-tail	0.005
t Critical two-tail	2.776
5% Level of Significance	Significant

**Conclusion:**

From the above table it is exhibited that, t- Test is applied and we conclude that 't' calculated value is 5.687 and t-Table value is 2.776, so we can say that here 't' calculated value is more than t-Table value. Hence the given hypothesis is rejected.

**Table-5.2.4: t-Test One-Sample test for Dividend Per Share Ratio:**

	DIVIDEND PER SHARE RATIO (IN RUPEES)
Mean	1.468
Variance	0.283
Observations	5
Hypothesized Mean	0
Df	4
t Stat	6.172
P(T<=t) two-tail	0.003
t Critical two-tail	2.776
5% Level of Significance	Significant

**Conclusion:**

From the above table it is exhibited that, t- Test is applied and we conclude that 't' calculated value is 6.172 and t-Table value is 2.776, so we can say that here 't' calculated value is more than t-Table value. Hence the given hypothesis is rejected.

**Table-5.2.5: t-Test One-Sample test for Debt – Equity Ratio:**

	DEBT-EQUITY RATIO (IN TIMES)
Mean	0.522
Variance	0.298
Observations	5
Hypothesized Mean	0
Df	4
t Stat	2.139
P(T<=t) two-tail	0.099
t Critical two-tail	2.776
5% Level of Significance	Non-Significant

**Conclusion:**

From the above table it is exhibited that, t- Test is applied and we conclude that 't' calculated value is 2.139 and t-Table value is 2.776, so we can say that here 't' calculated value is less than t-Table value. Hence the given hypothesis is accepted.

**Table-5.2.6: t-Test: One-Sample test for Proprietary Ratio:**

	PROPRIETARY RATIO (IN TIMES)
Mean	0.710
Variance	0.035
Observations	5
Hypothesized Mean	0
Df	4
t Stat	8.529
P(T<=t) two-tail	0.001
t Critical two-tail	2.776
5% Level of Significance	Significant

**Conclusion:**

From the above table it is exhibited that, t- Test is applied and we conclude that ‘t’ calculated value is 8.529 and t-Table value is 2.776, so we can say that here ‘t’ calculated value is more than t-Table value. Hence the given hypothesis is rejected.

**Table-5.2.7: t-Test: One-Sample test for Current Ratio:**

	CURRENT RATIO (IN TIMES)
Mean	0.966
Variance	1.007
Observations	5
Hypothesized Mean	0
Df	4
t Stat	2.153
P(T<=t) two-tail	0.098
t Critical two-tail	2.776
5% Level of Significance	Non-Significant

**Conclusion:**

From the above table it is exhibited that, t- Test is applied and we conclude that ‘t’ calculated value is 2.153 and t-Table value is 2.776, so we can say that here ‘t’ calculated value is less than t-Table value. Hence the given hypothesis is accepted.

**Table-5.2.8: t-Test One-Sample test for Quick Ratio:**

	QUICK RATIO (IN TIMES)
Mean	0.964
Variance	1.010
Observations	5
Hypothesized Mean	0
Df	4
t Stat	2.145
P(T<=t) two-tail	0.099
t Critical two-tail	2.776
5% Level of Significance	Non-Significant

**Conclusion:**

From the above table it is exhibited that, t- Test is applied and we conclude that ‘t’ calculated value is 2.145 and t-Table value is 2.776, so we can say that here ‘t’ calculated value is less than t-Table value. Hence the given hypothesis is accepted.



**Table-5.2.9: t-Test One-Sample test for Total Assets Turnover Ratio:**

	TOTAL ASSETS TURNOVER RATIO (IN TIMES)
Mean	0.100
Variance	0.002
Observations	5
Hypothesized Mean	0
Df	4
t Stat	4.822
P(T<=t) two-tail	0.009
t Critical two-tail	2.776
5% Level of Significance	Significant

**Conclusion:**

From the above table it is exhibited that, t- Test is applied and we conclude that 't' calculated value is 4.822 and t-Table value is 2.776, so we can say that here 't' calculated value is more than t-Table value. Hence the given hypothesis is rejected.

**Table-5.2.10: t-Test One-Sample test for Annual Sales:**

	ANNUAL SALES (IN LAKHS)
Mean	5186.380
Variance	950386.251
Observations	5
Hypothesized Mean	0
Df	4
t Stat	11.896
P(T<=t) two-tail	0.000
t Critical two-tail	2.776
5% Level of Significance	Significant

**Conclusion:**

From the above table it is exhibited that, t- Test is applied and we conclude that 't' calculated value is 11.896 and t-Table value is 2.776, so we can say that here 't' calculated value is more than t-Table value. Hence the given hypothesis is rejected.

**6. Findings of the Study**

- The profitability situation of the PTL Enterprises Ltd. is really sound. The net profit ratio has remained higher during the whole selected study time period. The management of the company is doing really appreciable efforts to intact amount of profit at higher level.
- The interest coverage ratio has stayed at higher except in two financial years i.e. 2014-2015 & 2016-2017. So, except these two financial years, the company was in an absolute position to make payment for the interest on fixed charge liabilities.
- The earning per share ratio has remained moderate in first three selected financial years, thereafter it has shown an increasing trend in the financial years 2017-2018 and 2018-2019 which exhibits that more amount of earning will become available on per share basis to the equity shareholders.
- The dividend per share ratio has stayed at lowest during the whole selected study time period which shows that least amount of earning is distributed on per share basis by the company in the form of equity dividend.

- The debt-equity ratio has remained lowest during the whole selected study time period which was not satisfactory situation from the view point of equity shareholders as they will not get benefit of trading on equity as well as the rate of equity dividend will also remain comparatively extremely poor.
- The proprietary ratio has stayed mostly at higher level during the whole selected study time period which reveals that the financial situation of the company is enhanced. This situation also exhibits that the proprietors have provided more funds to acquire the assets of the business.
- The current ratio has remained mostly lower during the whole selected study time period except in the financial year 2017-2018. This exhibits that the liquidity position of the company was not satisfactory at all to meet the current liabilities.
- The quick ratio has stayed at higher during the whole selected study time period except in the financial years 2014-2015 and 2018-2019. Except both these financial years, the company was in a position to make payment for the quick liabilities.
- The total assets turnover ratio has remained lowest during the whole selected study time period. This shows that the efficiency of the company was not satisfactory at all and assets of the company are not utilized efficiently.
- The value of annual sales has shown an increasing trend during the whole selected study time period which reveals that continues considerable efforts are being made by the company to maintain the volume of turnover at utmost level.
- The result of t-Test shows significant for Net Profit Ratio, Earning Per Share Ratio, Dividend Per Share Ratio, Proprietary Ratio, Total Assets Turnover Ratio and Value of Annual Turnover.
- The result of t-Test shows non-significant for Interest Coverage Ratio, Debt-Equity Ratio, Current Ratio and Liquid Ratio.
- The interest coverage ratio exhibits that it has remained lowest during the whole study period. The company was not in a situation to manage the fixed charge liabilities perfectly.
- The debt-equity ratio shows that it has also remained lower during the whole study period which is not profitable from the view point of equity shareholders.
- The proprietary ratio shows a poor long term solvency position during the whole study period as it has indicated fluctuating trend as well as remained lowest.
- The net profit ratio indicates that the company was possessing poorest profitability during the whole study period. Whereas in the years 2016-2017 and 2017-2018, the company has to suffered from a huge amount of loss. In the year 2016-2017 net loss was 11.59%.
- The current ratio exhibits that the company is highly liquid in the year 2014-2015 after that it started to reduce in the succeeding years.
- The quick ratio shows that the company was not possessing absolute liquidity during the whole study period.

## 7. Suggestions

- The net profit situation is satisfactory as well as mostly it has shown an upward trend every year in PTL Enterprises Ltd. So, it must be continued to gain the next level.
- The Current ratio was not satisfactory during the whole selected study period. Efforts must be done to maintain optimum level of liquidity for the success of the company.
- The Quick ratio has mostly satisfied the criteria of the ideal ratio. So, it is recommended that the same policies must be followed as regards this ratio in coming future too.
- The management of the company has to maintain the optimum proportion of the long-term liabilities and the shareholders' funds.
- The proprietary ratio has remained mostly at higher level during the whole selected study time period which shows that that the proprietors are providing more funds to purchase the assets of the business. So same efforts must be continued to keep the financial position of the company stronger.

## 8. Limitations of the Study

- The present study is based on data collected from the annual reports of the company and all the conclusions and suggestions are constructed from the analysis of the several ratios calculated.
- The present study did not take into account the organizational policies regarding the management. The study was limited to a five-year period (2014-2015 to 2018-2019), an extension of the study period might give a little bit different result. But this number of years is not enough for a comprehensive understanding of business movements and their reactions to the changes of the economy.
- The basic crucial limitations of figures, calculations and human error are the limitations of the study. Much more care and conscientiousness have been taken in making all the calculations and calculating various ratios and obtaining conclusions from it but then also there can be some human error, which will make the study weaker to that extent.

## 9. Conclusion

The present study on titled “A Study on the Analysis of Financial Performance with reference to PTL Enterprises Ltd.” using various ratios and t-Test helps to have a better insight about the overall financial performance as well as financial background of the company. From the analysis of whole study, it was exhibited that the overall financial performance of the company was not that much satisfactory.

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