

A FINANCIAL RATIO ANALYSIS OF SELECTED FIVE LOGISTIC COMPANY PERFORMANCE IN INDIA

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Abstract:

In today's scenario, the shipping and logistic sector is one of the fastest growing sectors and a lot of funds are invested in this sectors. Also today's the logistic company is becoming more complex. So, there is a strong need to evaluate their performance of the logistic company. There are various Analysis to evaluating the performance of the logistic company , but in this study we discussed about the ratio analysis to evaluate the performance of the familier logistic company. This analysis measures the performance of the logistic company from parameter comprising of Inventory turnover ratio, Asset turnover ratio , Current ratio, Debt equity ratio ,Operating profit per share, , We have studied the performance of five logistic company selected on the basis of management efficiency (i.e. Blue Dart Express,Agarwl Packers and Movers, Allcargo Logistics, Sical logistic Ltd.). Period under study is from 2015 to 2019.From the weighted results of each ratio, we have given marks on the bases of the performance of the logistic company.

Keywords: Logistic company , Debt-equity, research analysis, asset turnover, ratio analysis.

INTRODUCTION:

Logistics encompasses all of the information and material flows throughout an organization. It includes everything from the movement of a product or from a service that needs to be rendered, through to the management of incoming raw materials, production, the storing of finished goods, its delivery to the customer and after-sales service . The scope of logistics has changed since the emergence of new technologies and strategic alliances in order to compete on flexibility and responsiveness. The growing importance of logistics arises from companies becoming globalized to gain access to new markets, realize greater production efficiencies, and tap technological competencies beyond their own geographical borders. A reduction in trade barriers and the emergence of advanced technologies have led to a great interest in logistics in recent years.

Currently, logistics operations include purchasing, distribution, the managing of inventories, packaging, manufacturing, and even customer services.

STATEMENT OF THE PROBLEM:

The Indian logistic is very broad and complicated. Goods transpositions are the lifeblood of the commerce. They are maintaining proper way to distributing goods. Mobilisation of resources forms an integral part of the development process in India. In this process of mobilization the logistic company are at a great advantage, chiefly because of their network in the country. The developments of logistic industry were witnessed only in the field of expansion and spread of logistic company generation of huge employment and mobilization of service rather than improvement in the efficiency that counts a lot.

OBJECTIVES OF THE STUDY:

To analyse the growth and the development of the Logistic Company in India.

To analyse the Management efficiency, Liquidity and solvency and Investment valuation of Logistic Company.

To make a comparative analysis of financial and Managerial performance of selected logistic company in India.

To put forward concrete suggestions and recommendations to make the performance of the effective and efficient logistic company.

SCOPE OF THE STUDY:

A comparative study on the financial and managerial performance of the logistic company in India since 2015 is undertaken for a comparative analysis, the performance of five logistic company in India is evaluated since 2015. A period of five years from 2015 to 2019 is taken for the study. The present study is undertaken by reviewing and analysing a comparative study on the financial and managerial performance of the five logistic company in India by using six parameters namely, Inventory turnover ratio, Asset turnover ratio, Current ratio, Debt equity ratio, Operating profit per share, Debtor turnover ratio,

SIGNIFICANCE OF THE STUDY:

Though a number of studies are available on logistic company in general, there is no comprehensive academic study on the financial and managerial performance of the particular logistic company as a comparative study. A review of the available literature on logistic company reveals that no exclusive comparative study on the financial and managerial performance of the logistic company has so far been attempted in India. In this context the present study may fill the gap to a certain extent. Further, it would throw some light on the performance of the five logistic company.

METHODOLOGY:

Financial and managerial performance evaluation is an important pre-requisite for sustained growth and development of any institution. As in the case of any institution, the evaluation of logistic company financial and managerial performance too has to be undertaken in relation to its goals and objectives. Though many studies have been undertaken in India for evaluation of the financial and managerial performance of logistic company, no single or universally acceptable technique/methodology has emerged so far. Assessment of a logistic company financial performance is beset with many difficulties on account of its diverse objectives that influence its performance. The affairs of the logistic company are conducted not merely on financial or business considerations in which case it would have been easier to evolve suitable parameters and thereby evaluate a comparative study on the financial and managerial performance of the five logistic company. After observing the various performance evaluation studies and assessing the gaps/deficiencies that exist in this study to evaluate and assess the comparative study on financial and managerial performance of the selected five logistic company so as not to overlook the various aspects of the problem. The following are the six basic parameters used in the study to evaluate the performance of the logistic company

- I. Debt turnover
- ii. Asset Utility
- iii. Management efficiency
- iv. Earning quality
- v. Liquidity position

SOURCES OF DATA:

The data required for the study are collected from secondary sources. The financial analysis of logistic company and performance highlights of selected logistic company both published by the magazine form the most important source based on which the present study is accomplished. The annual reports of the five logistic company.

Financial And Managerial Performance Analysis**Inventory turnover ratio:**

inventory is managed by comparing cost of goods sold with average inventory for a period. This measures how many times average inventory is “turned” or sold during a period. The inventory turnover ratio is an efficiency ratio that shows how effectively.

Inventory turnover is a measure of how efficiently a company can control its merchandise, so it is important to have a high turn. This shows the company does not overspend by buying too much inventory and wastes resources by storing non-salable inventory. It also shows that the company can effectively sell the inventory it buy.

Logistic Company	2019	2018	2017	2016	2015	Mean	SD	CV
blue dart	537.43	622.96	484.79	492.65	574.3	108.4852	57.71957146	0.532050192
snowman	3.81	3.78	3.71	191.09	3.08	8.2188	83.85084812	10.20232249
allcargo	169.79	125.53	124.45	132.74	129.87	127.2952	18.91995719	0.693160599
agarwal	19.58	11.33	17.27	64.22	24.03	5.4572	21.14839545	3.875319843
Sical	185.37	158.22	121.44	103.65	102.68	26.8544	36.34877536	1.353550083
Mean	183.196	184.36	150.332	196.87	166.7			
SD	214.83	254.49	195.301	171.69	233.83			
CV	1.172	1.38	1.29913	0.872	1.401			

The logistic company In India analysis five best company and the results shows that the maximum average of ratio is in the case of the Allcargo that is 127.2952 followed by the Blue dart express that is 127.2952. It reveals the Allcargo is a high inventory ratio is considered that the company can effectively sell the inventory it buy.

Debtor Turnover Ratio:

Accounts receivable turnover ratio simply measures how many times the receivables are collected during a particular period. It is a helpful tool to evaluate the liquidity of receivables.

A high receivables turnover ratio can indicate that a company's collection of accounts receivable is efficient and that the company has a high proportion of quality customers that pay their debts quickly. A high receivables turnover ratio might also indicate that a company operates on a cash basis

Logistic Company	2019	2018	2017	2016	2015	Mean	SD	CV
blue dart	6.96	7.16	8.23	8.76	8.13	1.5696	0.761426293	0.485108495

snowman	4.84	4.88	4.14	4.31	4.63	0.912	0.325806691	0.357244179
allcargo	11.7	5.02	5.89	7.02	6.96	1.4636	2.585482547	1.766522647
agarwal	4.96	3.78	3.8	4.24	6.48	0.9304	1.128326194	1.212732367
Sical	4.02	4.21	3.93	3.6	3.71	0.7788	0.243577503	0.312760019
Mean	1.2992	1.002	1.0396	1.1172	1.1964			
SD	3.1035914	1.3031166	1.8942993	2.20877341	1.789432871			
CV	2.3888481	1.30051063	1.8221425	1.97706177	1.495681103			

The logistic company In India analysis five best company and the results shows that the maximum average of ratio is in the case of Blue Dart Express that is 1.5696 followed by the Allcargo logistic that is 1.4636. the Sical logistic is inefficiency to handle the debtor. It reveals the Blue Dart is a high Debtor ratio is considered that the company can effectively handle the debtors.

Asset Turnover Ratio:

The asset turnover ratio measures the value of a company's sales or revenues relative to the value of its assets. The asset turnover ratio can be used as an indicator of the efficiency with which a company is using its assets to generate revenue.

The higher the asset turnover ratio, the more efficient a company. Conversely, if a company has a low asset turnover ratio, it indicates it is not efficiently using its assets to generate sales.

Logistic Company	2019	2018	2017	2016	2015	Mean	SD	CV
blue dart	3.96	3.4	3.24	3.56	3.59	3.55	0.268514432	0.075637868
Snowman	0.46	0.37	0.37	0.43	0.48	0.422	0.050695167	0.120130728
Allcargo	0.91	0.74	0.75	0.82	0.73	0.79	0.075828754	0.095985765
agarwal	2.6	2.15	2.22	2.27	2.96	2.44	0.338156768	0.138588839
Sical	0.95	0.71	0.6	0.59	0.69	0.708	0.145327217	0.205264431
Mean	1.776	1.474	1.436	1.534	1.69			
SD	1.46738	1.275511	1.242469	1.34778	1.46702			

	88	6	3	70	07			
CV	0.82623 24	0.865340 341	0.865229 32	0.87860 95	0.86805 96			

The logistic company In India analysis five best company and the results shows that the maximum average of ratio is in the case of Blue Dart Express that is 3.55 followed by the Agarwal logistic that is 2.44. the Sical logistic is inefficiency to handle the company asset to raise revenue. It reveals the Blue Dart is a high Asset turnover ratio is considered that the company can effectively handle the asset to generate the revenue

Current Ratio:

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. The higher the current ratio, the more capable a company is of paying its obligations because it has a larger proportion of short-term asset value relative to the value of its short-term liabilities.

Logistic Company	2019	2018	2017	2016	2015	Mean	SD	CV
blue dart	1.48	1.53	1.49	2.32	2.07	1.778	0.391241613	0.220045902
Snowman	1.98	1.89	2.43	1.66	3.18	2.228	0.601140583	0.269811752
Allcargo	1.37	1.26	1.15	1.24	1.34	1.272	0.087005747	0.068400744
Agarwal	1.06	0.95	1.01	0.96	0.79	0.954	0.101636608	0.106537325
Sical	1.05	1.22	1.37	1.55	1.38	1.314	0.188228584	0.143248542
Mean	1.388	1.37	1.49	1.546	1.752			
SD	0.381	0.35601	0.55767	0.512132	0.918406			
CV	0.27459	0.25986	0.37427	0.3312	0.5242			

The logistic company In India analysis five best company and the results shows that the maximum average of ratio is in the case of Snowman Logistic that is 2.228 followed by the Blue Dart Express logistic that is 1.778. the Sical logistic is inefficiency to handle the short term obligations. It reveals the Snowman logistic is a high Current ratio is considered that the company can effectively handle short term liability.

Debt Equity Ratio:

The ratio is used to evaluate a company's financial leverage. The D/E ratio is an important metric used in corporate finance. It is a measure of the degree to which a company is financing its operations through debt versus wholly-owned funds. More specifically, it reflects the ability of shareholder equity to cover all outstanding debts in the event of a business downturn.

Logistic Company	2019	2018	2017	2016	2015	Mean	SD	CV
blue dart	0.22	0.27	0.64	0.71	1.12	0.592	0.366428711	0.618967417
Snowman	0.13	0.21	0.26	0.28	0.17	0.21	0.062048368	0.29546842
Allcargo	0.32	0.19	0.25	0.06	0.18	0.2	0.09617692	0.480884602
Agarwal	0.51	0.71	0.62	0.78	0.85	0.694	0.133529023	0.192404932
Sical	1.28	1.39	1.44	1.22	0.98	1.262	0.180055547	0.14267476
Mean	0.492	0.554	0.642	0.61	0.66			
SD	0.4625	0.5134978	0.4839	0.45343	0.452934			
CV	0.940	0.926891	0.753	0.7433	0.6862649			

A lower debt to equity ratio usually implies a more financially stable business. Companies with a higher debt to equity ratio are considered more risky to creditors and investors than companies.

The logistic company In India analysis five best company and the results shows that the maximum average of ratio is in the case of Sical logistic that is 1.262 followed by the Agarwal logistic that is 0.694 . the Sical logistic is inefficiency to handle the shareholder equity to not cover all outstanding . It reveals the Allcargo logistic is a high debt equity is considered that the company can effectively handle shareholder equity to cover all outstanding debts in the event of a business downturn.

Operating profit per share:

Logistic Company	2019	2018	2017	2016	2015	Mean	SD	CV
blue dart	73.1	109.5	111.44	139.38	94.33	105.55	24.3600821	0.230791872

snowman	3.53	2.66	2.18	2.91	2.82	2.82	0.486672374	0.172578856
allcargo	7.89	6.45	9.48	9.31	9.21	8.468	1.293259448	0.152723128
agarwal	35.81	29.28	24.91	29.93	28.68	29.722	3.922482632	0.131972365
Sical	24.11	21.09	20.16	13.62	9.18	17.632	6.079586335	0.344804125
Mean	28.888	33.796	33.634	39.03	28.844			
SD	27.88	43.67	44.396	56.979	37.87432			
CV	0.965	1.2923	1.3199	1.45988	1.313074705			

The logistic company In India analysis the return on investment from share and the results shows that the maximum average of ratio is in the case of Blue dart Express that is 105.55 followed by the Agarwal logistic that is 29.722. therefore the blue dart express logistic company more dividend provided to investor .

Findings:

Investment Valuation Ratios	Efficient	inefficient
1. Operating Profit Per Share (Rs)	Blue dart Express	Snowman
Liquidity And Solvency Ratios		
1. Current Ratio	Snowman	Sical logistic
2. Debt Equity Ratio	Allcargo	Sical logistic
Management Efficiency Ratios		
1. Inventory Turnover Ratio	Allcargo	Agarwal
2. Debtors Turnover Ratio	Blue Dart Express	Sical Logistic
3. Asset Turnover Ratio	Blue Dart Express	Sical Logistic

All logistic company maximum utilize investment and it will create a sound economy system of country. This is overall general suggestions and it may very useful for the Selected logistic company to get better the financial position and for the better performance.

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