

AN ANALYSIS OF FINANCIAL PERFORMANCE OF SUGAR INDUSTRY IN INDIA

S. PRAVEENA¹, K. MAHENDRAN² & T. SAMSAI³

¹Assistant Professor, Department of Social Studies, Thanthai Roever Institute of Agriculture and Rural Development,
(Affili. To Tamil Nadu Agricultural University, Coimbatore), Valikandapuram, Perambalur, Tamil Nadu, India

²Professor, Department of Agriculture and Rural Management, Tamil Nadu Agricultural University,
Coimbatore, Tamil Nadu, India

³Assistant Professor, Department of Agriculture and Rural Management, Tamil Nadu Agricultural University,
Coimbatore, Tamil Nadu, India

ABSTRACT

The study was conducted to analyze the financial performance of sugar companies in India. Sugar industry is volatile in nature and commercially utilizes the rural resources to meet the demand for sugar and also generates surplus energy to meet the increasing energy needs. Totally forty companies were taken for the study. Ten companies from each zone were selected based on annual volume of sales and market capitalization. Profitability ratios are calculated to measure the overall efficiency of the business. Profitability ratio analysis will not be complete by just computing return on equity (ROE). It is essential to find out the factors that have an impact on the ROE. For this purpose DuPont analysis and Path analysis are used in the study. From the results, there was a significant difference between the return on equity and the DuPont variables and also there is no significant difference between the equity multiplier and the return on equity.

KEYWORDS: DuPont Variables, Earnings per Share, Path Analysis and Return on Equity