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THE IMPORTANCE OF RATIO ANALYSIS IN EXECUTIVE DECISION-MAKING

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ABSTRACT

A wide range of stakeholders in the modern financial system, including owners, executives, investors, and creditors, place a premium on financial performance. To make sound financial judgments, one must evaluate the financial performance. Thus, it is critical in order to make sound financial judgments. For investors, annual financial reports created by the accounting system are the primary source of information. To assure the accuracy and validity of the determinations, a thorough study of the financial accounts is required. Despite the impact of other elements such as social, political, and economic forces, financial analysis remains the most commonly used strategy to attracting capital. The purpose of this study is to determine how ratio analysis indicators influence investor decision-making.

Index Terms: Ratio Analysis, Business, Accounting and Decision Making.

I. INTRODUCTION

Ratio analysis is a mathematical tool for evaluating a company's liquidity, profitability, sales, and operational efficiency based on its financial statements and records. Ratio analysis is an important tool for investigating the fundamental concepts of equity. Analysts and investors assess an organization's financial well-being by reviewing financial statements and prior performance using ratio analysis tools.

Statistical and comparative analysis can provide critical insights into an organization's performance by contrasting occurrences from a certain time period with industry benchmarks. It also compares the effectiveness of a business to that of other companies in the same industry. Every day, a business handles a large volume of financial transactions and accounting information.

When compared, a company's financial statements provide a more complete picture of its financial health and operational effectiveness. Financial ratio analysis is a valuable tool for comparing different industries or organizations on a regular basis.

Using information from financial statements (e.g., income statement, balance sheet, and cash flow statement), one can statistically assess and analyze different elements of a firm, including valuation, profitability, growth, margins, and liquidity.

II. LITERATURE REVIEW

RajeevanSelvaratnam, and Davor Brinc. (March 23, 2021): 6PD deficiency is an X-linked disorder characterized by acute or chronic hemolytic anemia, or the absence of any symptoms. The identification of this condition is possible through the utilization of the glucose-6-phosphate dehydrogenase (G6PD) to hemoglobin (Hb) ratio. Consideration was given to pre-analytical, post-analytical, and analytical parameters to optimize the measurement and interpretation of G6PD/Hb. The Hb concentration was determined utilizing Drabkin's reagent, while the G6PD concentration was identified employing the Pointe Scientific test on Alinity (Abbott Diagnostics). Stability assessments were conducted on G6PD/Hb at 2, 8, and 21 days subsequent to storage. The stability of the hemolysate generated for the G6PD analysis was assessed for a duration of four hours at room temperature or within a temperature range of 2 to 8 °C, utilizing patient samples and quality control.

Syafii, Sufyan, and M. MizanSya'roni.(May 20, 2021): Beyond narratives, the Al-Qur'an is comprehended through ijtihad, inspiration, and

intuition, the origins of which are beyond comprehension due to their transcendent nature. Background information is provided for the author, who is interested in gaining a deeper understanding of Tabi'in's methodology for interpreting the Qur'an. It also illustrates how Tabi'in applies ratio to the verse's interpretation. The present investigation adopted a qualitative framework and employed a specific type of library research methodology. Descriptive analysis is employed in the discourse surrounding this study.

Sişman, Eyüp, and BurakKizilöz.(May 14, 2020): The non-revenue water (NRW) ratio indicator is critical for determining the operational efficiency of the water distribution system. Determine the variables that influence the NRW ratio in order to evaluate this metric. Consequently, the primary objective of this article is to identify the variables that influence the estimation of the NRW ratio. Then, an artificial neural network (ANN) approach is utilized to evaluate these criteria through the implementation of fifty models with the following input variables: one, two, three, and four variables, in that sequence. Furthermore, this research represents the initial application of the Kriging method for calculating NRW ratios using solely two variables. Sixty models, each utilizing the ANN and Kriging techniques, have been developed to forecast the NRW ratio in Kocaeli across twelve district meter areas (DMA) using the collected data. Due to the closed-box nature of ANN models, professional discretion is more significantly required when interpreting the model's output. Consequently, the results indicate that Kriging model graphs produce significantly more practical information for application and interpretation in comparison to ANN models.

Sun, L., and X. S. Gan.(February 7, 2020): Critical information from the remote sensing image, such as edge texture and feature information, will be obscured by the noise. This may result in a decline in the image's overall quality and the loss of crucial information, both of which will complicate the interpretation process. Consequently, denoising a noisy image is one of the most crucial processing stages in the application of remote sensing photographs. The present study utilizes the ICA wavelet analysis method to eliminate noise from real-time remote sensing images. Acquiring a signal-to-noise ratio and enhancing the quality of images acquired via remote sensing are the objectives. The signal-to-noise ratio of the Asian sub-level remote sensing image is considered throughout its preprocessing phases, which consist of mosaicing, image fusion, and control point correction. SNR/dB and mean square error (RMSE) are utilized to assess the fidelity of an image.

Konieczny, Jerzy, and Paulina Wolańska-Nowak. (October 18, 2019): As stated in the introduction of the study, likelihood ratios (LR) are not employed in the assessment procedure of polygraph examinations, which hold critical importance within the domain of internal security. Conversely, LR is the sole metric that offers a scientifically validated indication of the evidentiary merit of a particular specimen of evidence. Theoretical frameworks and objections to the use of LR in evaluating the evidentiary value of the polygraph examination are discussed by the authors. The primary objective of this paper is to present the methodology for computing LR within the framework of assessing polygraph examination results, which is considered evaluative expertise. The examination outcomes enable the classification of pertinent topics into one of three groups: inconclusive, deception indicated, or no deception indicated; the analysis is limited to comparison question techniques; and the LR assignment process allows for the random selection of variable values. LR computations are demonstrated on numerous occasions across an assortment of tactical polygraph examination scenarios. The significance of integrating inconclusive results into the attributes of the

examination methodology is evaluated.

Ma, Hong-Wei, Yi-Zhou Lin, and Zhen-Hua Nie.(August 28, 2019): In recent years, principal component analysis (PCA) has been effectively implemented in the field of structural dynamics. Because of this, it is commonly employed within an ambiguous domain that distinguishes the practical implementation of the issue from its true physical characteristics. Consequently, a physical interpretation of PCA and further investigation are necessary, specifically concerning the mechanism under consideration. Vibration of a one-dimensional string numerical experiments and theoretical analysis are utilized to provide a physical comprehension of the PCA in this article. The conditions that must be fulfilled to render the interpretation practical have been identified. The findings from both the theoretical derivation and the numerical simulation indicate that the principal component coefficient (PCC) may serve as an approximation for the structural modes. Furthermore, it is possible to approximately approximate the energy-based modal participation ratio using principal component analysis (PCA). Physical interpretation provides a unique opportunity to broaden the application of PCA-related techniques to structural dynamic problems and a new perspective on how existing methods function.

Jia, Zhihao, Linsong Cheng, Peng Wang, Suran Wang, and Pin Jia.(December 8, 2020): The complex pore architecture of carbonate reservoirs causes an abrupt decline in the initial high output of early production wells. Obtaining precise interpretation outcomes poses a significant obstacle. An innovative and practical approach is presented in this manuscript for the examination of production data in fractured and cracked vuggy carbonate reservoirs. Initially, analytical techniques are used to simulate the transient production behavior of fractured and fractured-vuggy carbonate reservoirs during the transient flow regime and to characterize the various types of multipore media. Following that, f q D and f ′ q D, two additional functions associated with the dimensionless production rate, are introduced, along with a sequence of decline-type curves that aid in differentiating between discrete flow regimes. In addition, the evaluation of production performance incorporates the interporosity flow coefficient, storativity ratio, epidermis factor, and dimensionless radial distance of the external boundary.

Malkoti, Ajay, Arjun Datta, and Shravan M. Hanasoge.(June 11, 2021): The potential of passive seismology has been steadily increasing in recent years. Due to the high costs associated with the installation and upkeep of seismic station networks, it is critical that as much data as possible be extracted from the observations. The H/V amplitude ratio of Rayleigh waves may be a valuable observable in ambient noise seismology in this particular circumstance, as it is more sensitive than phase and group-velocity dispersion to subsurface structure restrictions. Nevertheless, the reliability of noise-based investigations that utilize the Rayleigh H/V ratio is contingent on the precision with which assessments conducted on multicomponent ambient-noise cross-correlations are interpreted. A synthetic study is conducted to thoroughly examine measurements commonly referred to as the Rayleigh-wave H/V ratio in the presence of realistic conditions involving non-uniform and spatially dispersed noise sources. Standard estimates of the H/V ratio are derived from the multicomponent cross-correlations systematically described for any noise-source distribution using the surface wave terms of Green's function in a laterally homogeneous medium. An empirical investigation is conducted into the variation of these measurements as a function of VP using brute-force simulation.

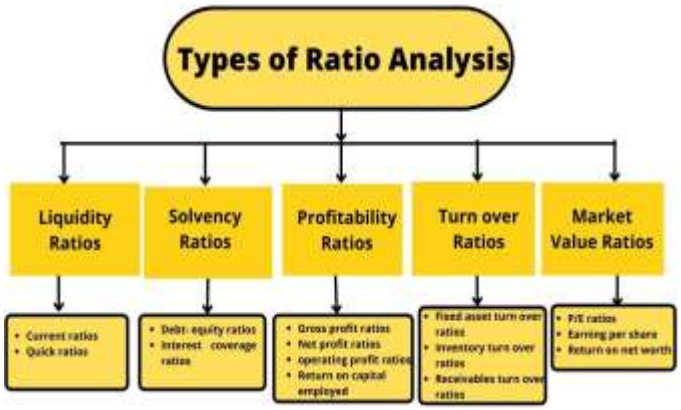
Shifan, Zhan, Chen Maoshan, Li Lei, Tao Chunfeng, Wan Zhonghong, and Zhao Xiaohui.(May 1, 2018): Offset vector tile (OVT) is a distinct variety of prestack seismic aggregate,

and OVT technology is a suitable seismic processing method for wide-azimuth seismic (WAZ) investigations. The insufficient application of critical methodologies and tools for seismic interpretation in the OVT domain, coupled with the infancy of current WAZ interpretation, are factors that contribute to the underutilization of the abundant offset and azimuth data that the OVT collections contain. A standardized methodology and a wide-azimuth prestack seismic interpretation system have been developed for the OVT domain in order to enhance the precision of geology, reservoir, and fluid data obtained from OVT surveys.

van Aalst, Robertus, Edward Thommes, Maarten Postma, Ayman Chit, and Issa J. Dahabreh.(June 29, 2020): An expanding body of research utilizes data from cohorts that were exposed to different treatment modalities prior to and following the initiation of treatment to calculate "causal effects" through the implementation of a ratio metric called the previous event rate ratio (PERR).

Antoshkina, Valerya. (April 15, 2020): This article undertakes a comprehensive examination of the legal matters pertaining to the Constitutional Court of Ukraine (henceforth CCU), considering its inception, significance, and the correlation between doctrine and interpretation. The authors' analysis of the different types of subject interpretation indicates that doctrinal interpretation is more influential in the realm of informal interpretation, despite the Constitutional Court's substantial influence in official interpretation. As a national entity endowed with exclusive special powers, the Constitutional Court of Ukraine safeguards the fundamental rights and liberties of its citizens through its authority to interpret the law. This document specifies the legal framework upon which this organization is operational. Initially, the operations of the CCU were regulated by the primacy of the Ukrainian Constitution; it is characterized as a quasi-legislative entity whose decrees are legally binding and enforceable.

III. TYPES OF RATIO ANALYSIS



Liquidity Ratios

A company's ability to pay its short-term debt can be determined by looking at its liquidity ratios. As this ratio increases, the company's ability to repay its short-term loans improves, which is a positive development. The current ratio and the fast ratio are the two sorts of liquidity ratios that are applicable.

Current ratios

Using current ratios, one can determine whether or not a corporation is able to pay off all of its obligations within the next twelve months. Indicating that the company is better equipped to satisfy its short-term financial obligations, an increase in the current ratio implies that the company is doing well. On the other hand, a current ratio that is extremely high suggests that a sizeable amount of the company's capital is linked to receivables that may or may not be collected in the future.

To put it another way:

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

Quick ratios

The quick ratio is a measure of the proportion of a company's liquid assets (excluding inventory) that are available to pay off its short-term obligations by the company. In comparison to the current

ratio, the fast ratio is considered to be a more careful measurement. This is due to the fact that it takes into account all current assets and current liabilities while computing it.

$$\text{Quick ratio} = \frac{\text{Cash and cash equivalents} + \text{Account receivables}}{\text{Current liabilities}}$$

Solvency ratios

There is another name for solvency ratios, which is leverage ratios. The company's solvency and its ability to repay its creditors are both brought to light by the kind of ratio assessments that are being discussed here. This particular characteristic is one of the indicators that is utilized in the process of determining the long-term solvency of a firm. One of the positive indicators of a company's financial resiliency is a solvency ratio that is substantial or greater.

Among the several types of solvency ratios, the debt-to-equity ratio and the interest coverage ratio are the two principal types.

Debt-equity ratios

The debt-to-earnings ratio, sometimes known as the D/E ratio, is a key indicator of how a company funds itself. When a firm's debt-to-equity ratio increases, the volume of debt that the company carries also increases, which causes the likelihood of default to increase. The ratio of debt to equity is what determines the amount of equity that can be utilized to pay down debt in the event that the company in question goes through a liquidation.To put it another way:

$$\text{Debt-equity ratio} = \frac{\text{Total debt}}{\text{Equity}}$$

Interest coverage ratios

By calculating the interest coverage ratio, a corporation can ascertain the proportion of its available profits that is required to cover the interest payments that it has already made. The ideal circumstance would be one with a larger ratio. The presence of a ratio that is lower than 1.5 may be an indication that a company is having difficulty meeting its interest payments.

To put it another way:

$$\text{Debt-equity ratio} = \frac{\text{Total debt}}{\text{Equity}}$$

Profitability Ratios

It is possible to use the profitability ratio as a measurement tool to determine the return on capital invested by the company. Although higher ratios are generally more positive, they provide a great deal more information when compared to the performance of the firm in the past and the outcomes of other companies that are comparable to the company in question.

The following is a short list of the profitability ratios that are utilized the most frequently:

Gross-profit ratios

The gross profit ratio is a measurement that determines the proportion of a company's total sales figure that is comprised of profit. In this calculation, the difference between the sales income and the excess profit is taken into account. Because of the increased operational efficiency of the company, which enables it to generate net earnings in addition to operating expenses, fixed costs, dividends, and depreciation, a high gross profit ratio is an indicator of the business's enhanced operational efficiency. However, a low gross profit ratio indicates that a considerable amount of money was spent on goods sold, which is contrary to what one may expect. It is possible that this is the result of ineffective purchasing strategies, a reduced sales volume, lower selling prices, intense competition in the market, or ineffective techniques of advertising sales campaigns.To put it another way

$$\text{Gross profit ratio} = \frac{\text{Gross profit}}{\text{Net sales}}$$

Net profit ratios

It is possible to indicate the proportion of an organization's total revenue that is dedicated to profit through the utilization of a financial

indicator known as the net profit margin. It provides a comprehensive analysis of the profitability of a company after all expenses, such as taxes and interest, have been deducted from the total. The disadvantage of these measurements is that they make it more difficult to compare the performance of one company to that of similar businesses in the same industry.

To put it another way:

$$\text{Net profit ratio} = \frac{\text{Net profit}}{\text{Net sales}}$$

Operating profit ratios

The operational profit ratio is a method that assesses the relationship between net sales and operating profit by utilizing a measurement. Using this strategy, the company is able to benefit from a comparison between the projected income of the organization and the operating profit.

To put it another way:

$$\text{Operating profit ratio} = \frac{\text{EBIT}}{\text{Net sales}}$$

Return on capital employed

ROCE, which stands for return on equity, is a profitability metric that demonstrates how effectively a company utilizes both its debt and equity capital. When two companies have comparable revenue but differing returns on capital used, investors are more likely to invest in the company that has a higher ratio. Both companies have the same amount of capital utilized.

To put it another way:

$$\text{Return on capital employed} = \frac{\text{EBIT}}{\text{Capital employed}}$$

Turn over ratios

In order to determine the extent to which an organization's assets or liabilities are converted into cash in return for sales, the turnover ratio is taken into consideration. The turnover ratios of a corporation provide insight into the effectiveness or efficiency of the management of the company. Due to the fact that they imply efficient recovery of receivables, extensive usage of fixed assets, and inventory limitation, higher asset turnover percentages are frequently considered to be favorable.

The following is a list of types of turnover ratios that are available:

Fixed assets turnover ratios

Through the utilization of this ratio, the amount of money earned and the efficiency of the company's rotation of fixed assets are respectively evaluated. Making the most of a company's fixed assets can lead to a rise in sales. This is because fixed assets play such a significant role in a company's ability to generate income.

To put it another way:

$$\text{Fixed asset turnover ratio} = \frac{\text{Net annual sales}}{\text{Gross fixed assets} - \text{Accumulated depriciation}}$$

Inventory turnover ratios

With the use of the inventory turnover ratio, one may ascertain the quantity of merchandise that must be maintained on hand in order to sustain a specific level of sales. A number of factors can have an effect on a company, including as the presence of obsolete inventory, the management's approach to ensuring that customers are satisfied, the utilization of manufacturing outsourcing, and the type of operational process flow system that is being utilized.

To put it another way:

$$\text{Inventory turnover ratio} = \frac{\text{Cost of goods sold}}{\text{Average inventories}}$$

Receivables turnover ratios

A different word that can be used to refer to the accounts receivable turnover ratio is the receivable turnover ratio. One of the most important financial indicators, it demonstrates how effectively a company is able to collect on its outstanding obligations. In order for a company to fulfill its obligations in a timely manner, that company must first collect its receivables.

To put it another way:

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$$\text{Receivables turnover ratio} = \frac{\text{Net credit sales}}{\text{Average receivables}}$$

Market value ratios

Market value ratios are the financial parameters that are utilized in the process of determining the share value of publicly traded firms for their shares. Using these statistics, one may determine whether a company is undervalued, whether it is isolated from the market, or whether it is priced in line with the market. It is possible that these measurements will prove to be highly beneficial when determining which company securities to invest in.

P/E ratios

In this area, the price-to-earnings ratio is the statistic that is utilized the most frequently and is considered to be vital. A determination is made as to whether the price of the stock, in relation to its anticipated earnings, is too high or low. The calculation involves comparing the current share price to the earnings per share that the company recorded for the preceding fiscal year. This comparison is an essential part of the computation.

To put it another way:

$$\text{P/E ratio} = \frac{\text{Market price per share}}{\text{Earnings per share}}$$

Earning per share

The earnings per share ratio illustrates the connection between the number of shares that are currently outstanding at a particular time and the earnings that the company has generated over the course of the analysis period. Using this ratio, it is much simpler to determine whether or not the investment will be profitable.

To put it another way:

$$\text{Earning per share} = \frac{\text{Net income} - \text{Preferred dividends}}{\text{Weighted average of shares outstanding}}$$

Return on net worth

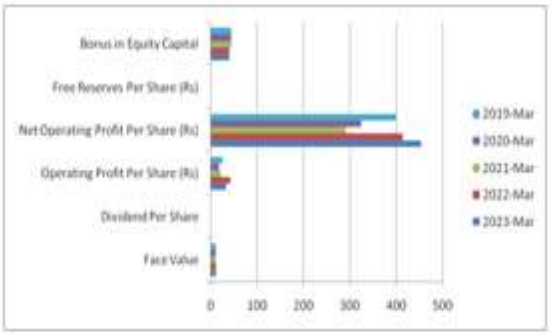
It provides information regarding the amount of profit that the company made on the capital that was contributed by preference stockholders and equity stockholders.

$$\text{Return on net worth} = \frac{\text{Net profit}}{\text{Share holders funds}}$$

IV. DATA ANALYSIS

Investment Valuation Ratios2023-Mar To 2019-Mar:

Investment Valuation Ratio:	2023-Mar	2022-Mar	2021-Mar	2020-Mar	2019-Mar
Face Value	10	10	10	10	10
Dividend Per Share	0	0	0	0	0
Operating Profit Per Share (Rs)	32.81	42.35	20.56	17.16	24.99
Net Operating Profit Per Share (Rs)	452.56	413.76	291.41	323.21	399.08
Free Reserves Per Share (Rs)	0	0	0	0	0
Bonus in Equity Capital	39.03	39.03	43.54	43.54	43.54



INTERPRETATION:

The table and graph demonstrate that the following information is relevant to investment valuation ratios: The Net Operating Profit Per Share (Rs) fluctuates in 2023, reaching 452.56 in 2020, 17.16 in 2022, and 42.35 in 2023. The valuation of equity capital decreased from 43.54 in 2021 to 2019 to 39.03 in 2023 and 2022.

Profitability Ratios2023-Marto 2019-Mar:

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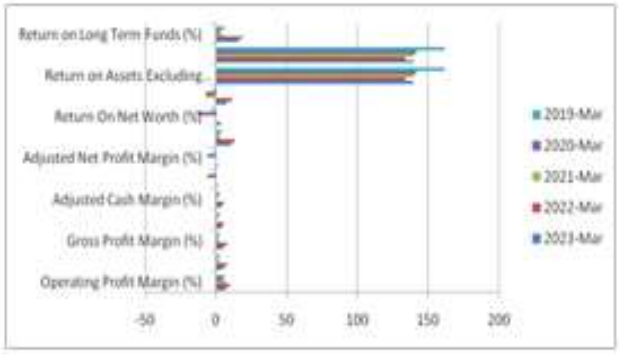
Profitability Ratio:	2023-Mar	2022-Mar	2021-Mar	2020-Mar	2019-Mar
Operating Profit Margin(%)	7.25	10.23	7.05	5.3	6.26
Profit Before Interest And Tax Margin(%)	5.14	8.11	2.87	1.21	2.78
Gross Profit Margin(%)	5.18	8.17	2.89	1.22	2.8
Cash Profit Margin(%)	4.37	5.77	0.82	1.09	2.69
Adjusted Cash Margin(%)	4.37	5.77	0.82	1.09	2.69
Net Profit Margin(%)	1.22	0.02	-0.58	-5.89	-1.26
Adjusted Net Profit Margin(%)	1.21	0.02	-0.57	-5.86	-1.25
Return On Capital Employed(%)	10.93	13.28	3.33	1.84	4.23
Return On Net Worth(%)	3.95	0.08	-1.2	-13.42	-3.12
Adjusted Return on Net Worth(%)	7.57	11.56	-6.92	-6.8	-1.81
Return on Assets Excluding Revaluations	139.87	134.12	140.18	141.93	161.78
Return on Assets Including Revaluations	139.87	134.12	140.18	141.93	161.78
Return on Long Term Funds(%)	15.73	19.54	5.05	2.8	6.34

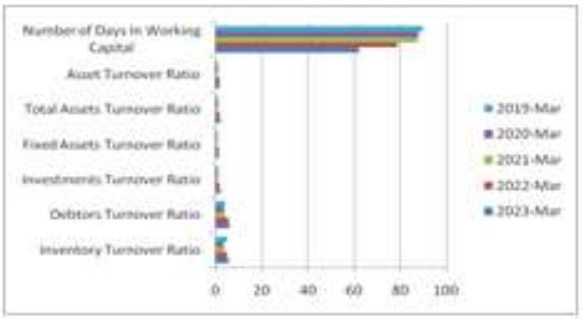


INTERPRETATION:

The profitability ratios are as follows: The gross profit margin peaked at 8.17 percent in March 2022, but fell to 1.2022 percent in March 2020. The net profit margin fell to -5.89 in March 2002 and reached a low of 1.22 in March 2023. The return on net worth reaches its peak in March 2023 (3.95) and its lowest in March 2020 (-13.42). The return on assets, including revaluations, peaked on March 19 at 161.78 and fell to its low on March 20, 2022, at 134.12.

Management Efficiency Ratios 2023-Mar To 2019-Mar:

Management Efficiency Ratio:	2023-Mar	2022-Mar	2021-Mar	2020-Mar	2019-Mar
Inventory Turnover Ratio	5.68	4.95	3.88	3.44	5.1
Debtors Turnover Ratio	5.89	5.59	3.86	3.7	3.85
Investments Turnover Ratio	1.87	1.52	0.98	1.03	1.13
Fixed Assets Turnover Ratio	1.3	1.23	0.67	0.74	0.87
Total Assets Turnover Ratio	1.85	1.5	0.97	1.01	1.13
Asset Turnover Ratio	1.74	1.53	0.94	0.96	1.08
Number of Days In Working Capital	62.27	78.66	87.67	87.97	89.64



INTERPRETATION:

The inventory turnover ratio, as shown in the table and graph, reaches its peak of 5.68 in March 2023 and its lowest point of 3.44 in March 2020. The numbers presented above indicate the management efficacy ratios. The investment turnover ratio achieves a peak of 1.87 in March 2023 and a low of 0.98 in March 2021. Unchangeable assets. Between March 2021 and March 2022, the Turnover Ratio ranges from 0.67 to 1.2023. In contrast, the Asset Turnover Ratio shows the lowest value of 0.94 in March 2021 and the highest value of 1.74 in March 2023.

The solvency and liquidity ratios for the period between March 2019 and March 2023 are as follows:

Liquidity And Solvency Ratios2023-Mar To 2019-Mar:

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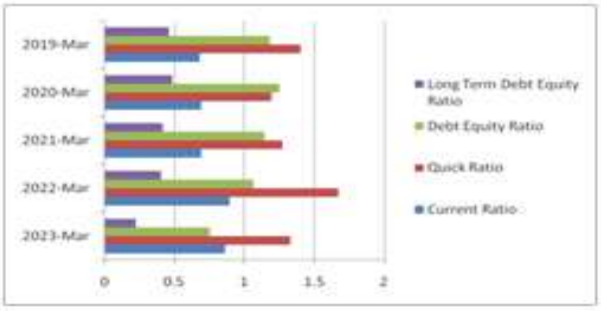
Liquidity And Solvency Ratios	2023-Mar	2022-Mar	2021-Mar	2020-Mar	2019-Mar
Current Ratio	0.86	0.89	0.69	0.69	0.68
Quick Ratio	1.33	1.67	1.27	1.19	1.4
Debt Equity Ratio	0.75	1.06	1.14	1.25	1.18
Long Term Debt Equity Ratio	0.22	0.4	0.41	0.48	0.46



INTERPRETATION:

The period from March 2022 to March 2019 has the greatest current ratio, measuring 0.89. Conversely, as seen in the accompanying table and graph, the present ratio reaches its lowest point of 0.68 between March 2019 and March 2019. March 2021 has the highest fast ratio (1.14), while March 2022 has the lowest fast ratio (1.67).

Debt Coverage Ratios2023-Mar To 2019-Mar:

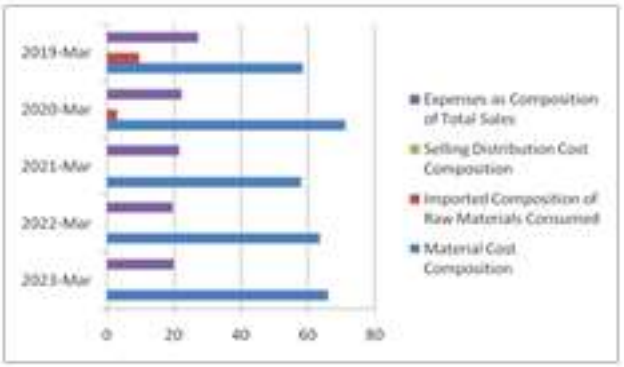
Debt Coverage Ratios	2023-Mar	2022-Mar	2021-Mar	2020-Mar	2019-Mar
Interest Cover	2.06	2.84	0.48	0.3	0.73
Total Debt to Owners Fund	0.73	1.03	1.11	1.22	1.18
Financial Charges Coverage Ratio	2.77	3.51	1.06	0.97	1.41
Financial Charges Coverage Ratio Post Tax	2.14	1.67	1.5	0.7	1.43

INTERPRETATION:

The tables and graphs above illustrate the debt coverage ratios for interest and financial charges. The interest cover ratio reaches its peak of 2.84 in March 2022, and its lowest of 0.3 in March 2020. Similarly, the financial charges cover ratio hits a low of 0.97 in March 2020 and a high of 3.51 in March 2022.

Profit & Loss Account Ratios2023-Mar To 2019-Mar:

Profit & Loss Account Ratios	2023-Mar	2022-Mar	2021-Mar	2020-Mar	2019-Mar
Material Cost Composition	66.01	63.71	57.97	71.3	58.54
Imported Composition of Raw Materials Consumed	0	0	0	2.99	9.54
Selling Distribution Cost Composition	0	0	0	0	0
Expenses as Composition of Total Sales	20.01	19.69	21.46	22.29	27.18



INTERPRETATION:

According to the data in the table and graph above, the Imported Composition of Raw Materials Consumed indicates a periodic

reduction from zero in March 2023 to its highest value of 9.54 in March 2019. The minimum value of the Material Cost Composition was 63.71 in March 2021, according to the Profit & Loss Account Ratios.

Cash Flow Indicator Ratios 2023-Mar To 2019-Mar:

Cash Flow Indicator Ratios	2023-Mar	2022-Mar	2021-Mar	2020-Mar	2019-Mar
Dividend Payout Ratio Net Profit	0	0	0	0	0
Dividend Payout Ratio Cash Profit	0	0	0	0	0
Earning Retention Ratio	100	100	100	100	100
Cash Earning Retention Ratio	100	100	100	100	100
AdjustedCash Flow Times	5.1	5.75	64.56	48.78	17.56

INTERPRETATION

The Earnings Retention Ratio remains at 100 for each fiscal year. The accompanying table and graph demonstrate that the Adjusted Cash Flow Times have declined from a high of 64.56 in 2021 to 5.1 in March 2023.

V. CONCLUSION

Overall, the ratio analysis of Surya Textiles provides valuable insights into the organization's financial health and operational success. Key performance indicators (key metrics), such as profitability, efficiency, and liquidity, have been analyzed using an analysis to discover both strengths and places for improvement. Despite Surya Textiles' noteworthy profitability and liquidity, the company should prioritize operational efficiency and debt management. Strategic initiatives can be used to improve the market's performance and expand its capacity. The findings highlight the need of taking a comprehensive approach to financial management. Surya Textiles is well-positioned to increase its competitive edge, promote long-term growth, and effectively manage the dynamic business climate while focusing on highlighted areas for improvement.The ratio analysis offered to stakeholders is an important tool that aids in the formation of informed strategic plans and decisions.

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