



C

* Rajesh A. Jadav ** Abhishek R. Belani

* Lecturer, M.J. College of Commerce, Maharaja Krishnakumarshinji Bhavnagar university, Bhavnagar

** Lecturer, G.L Kakdia Collage of Commerce & Management, Maharaja Krishnakumarshinji Bhavnagar

ABSTRACT

Comparisons of per share ratio of selected Indian FMCG sector banks are studied to understand the comparison between the companies performance. FMCG companies are the back bone of economy of a country and shares are the most important post of industry. By the analysis of per share ratio of banks, we can monitor the financial conditions of companies. In this manuscript, comparison of per share ratio of different selected Indian FMCG sector companies has been done. In details conclusion of the manuscript is given in conclusion.

Keywords : Per share ratio, selected Indian FMCG companies**INTRODUCTION**

Shares are the main components of any Industry and banks. To study the economical position of any bank at a glance, the different types of ratio are analyzed by the profit and loss accounts and balance sheet of banks. Ratio analysis is an important and age-old technique of financial analysis. Ratio analysis is a concept or technique which is as old as accounting concept. Financial analysis is a scientific tool. It has assumed important role as a tool for appraising the real worth of an enterprise, its performance during a period of time and its pit falls. Financial analysis is a vital apparatus for the interpretation of financial statements. It also helps to find out any cross-sectional and time series linkages between various ratios. Unlike in the past when security was considered to be sufficient consideration for banks and financial institutions to grant loans and advances, now a days the entire lending is need-based and the emphasis is on the financial viability of a proposal and not only on security alone. Further all business decision contains an element of risk. The risk is more in the case of decisions relating to credits. Ratio analysis and other quantitative techniques facilitate assessment of this risk. Ratio-analysis means the process of computing, determining and presenting the relationship of related items and groups of items of the financial statements.

They provide in a summarized and concise form of fairly good idea about the financial position of a unit. They are important tools for financial analysis.

PURPOSE OF THE STUDY

The purpose of the study is to analyze about the per share ratio of the selected Indian FMCG sector companies because shares are the important components of any company or industry. This study is important to improve the circulation of fund in company or industry. In this manuscript, the natures of last five years per share ratio of companies are studied. By the help of the analysis of this study, forecast may be done about the economy condition of sample companies.

AREA OF THE STUDY

Four Indian FMCG sector companies as ITC Ltd, Godrej Consumer Products Ltd, Hindustan Unilever Ltd (HUL), and Colgate Palmolive (India) Ltd. are selected for this study. The data for this study is taken from the annual reports of the companies.

RESULTS AND DISCUSSION

The variation of Adjusted Eps, Adjusted cash Eps, Reported Eps, Reported cash Eps, Dividend per share, Operating profit per share, Book value(excl rev res), Book value(incl rev res), Net operating income per share, Free reserves per share ratios of selected FMCG sector companies from 2007 to 2011 are shown in Chart 1 to 10 respectively. The discussions in details of the above mentioned ratio are given below.

ADJUSTED EPS

The variation of this ratio of different selected Indian public sector banks is shown in Chart 1. According to this graph

- 1- ITC Ltd. – It is decreased in 2011 but continuously increased from 2007 to 2010.
- 2- Godrej Consumer Products Ltd – It is increasing slightly from 2007 to 2010 but in 2011 it increased significantly from 7.96 in 2010 to 12.45 in 2011.
- 3- Hindustan Unilever Ltd – It is increased from 2007 to 2010 but decreased slightly in 2011.
- 4- Colgate Palmolive (India) Ltd – It is continuously increased from 2007 to 2011.

ADJUSTED CASH EPS

The variation of this ratio of different selected Indian public sector banks is shown in Chart 2. According to this graph

- 1- ITC Ltd. – It is increased from 2007 to 2010 but decreased in 2011.
- 2- Godrej Consumer Products Ltd – It is increased from 2007 to 2011 except 2009.
- 3- Hindustan Unilever Ltd – It is increased from 2007 to 2009 but decreased in 2010 then increased slightly in 2011.
- 4- Colgate Palmolive (India) Ltd – It is increased from 2007 to 2010 but in 2011 it decreased.

REPORTED EPS

The variation of this ratio of different selected Indian public sector banks is shown in Chart 3. According to this graph

- 1- ITC Ltd. – It is continuously increased except 2011.
- 2- Godrej Consumer Products Ltd – It is continuously from 2007 to 2011.
- 3- Hindustan Unilever Ltd – It is increased from 2007 to 2009 but decreased in 2010 then some increased in 2011.
- 4- Colgate Palmolive (India) Ltd – It is increased from 2007

to 2010 but decreased in 2011

REPORTED CASH EPS

The variation of this ratio of different selected Indian public sector banks is shown in Chart 4. According to this graph

- 1- ITC Ltd. – It is continuously increased from 2007 to 2010 but decreased in 2011.
- 2- Godrej Consumer Products Ltd – It is volatile in 2007 to 2010, in 2011 increased significantly.
- 3- Hindustan Unilever Ltd – It is not stable throughout the period of time, there is no fixed pattern.
- 4- Colgate Palmolive (India) Ltd – It is increased from 2007 to 2010 but decreased slightly in 2011.

DIVIDEND PER SHARE

The variation of this ratio of different selected Indian public sector banks is shown in Chart 5. According to this graph

- 1- ITC Ltd. – It is continuously increased from 2007 to 2010 but decreased in 2011.
- 2- Godrej Consumer Products Ltd – It shown slowly increasing trend in all throughout the period of time.
- 3- Hindustan Unilever Ltd – It is increased in 2007 to 2008, but then decreased in 2008 & remain constant in last two years.
- 4- Colgate Palmolive (India) Ltd - It is continuously increased in all years.

OPERATING PROFIT PER SHARE

The variation of this ratio of different selected Indian public sector banks is shown in Chart 6. According to this graph

- 1- ITC Ltd. – It is increased from 2007 to 2010, but in 2011 shown downward change.
- 2- Godrej Consumer Products Ltd – It remain volatile in all the years.
- 3- Hindustan Unilever Ltd – It is increased from 2007 to 2009, but then decreases.
- 4- Colgate Palmolive (India) Ltd – It shows the increasing trend from 2009 to 2011.

BOOK VALUE (EXCL REV RES)

The variation of this ratio of different selected Indian public sector banks is shown in Chart 7. According to this graph

- 1- ITC Ltd. – It increases from 2007 to 2010, but in 2011 decreases.
- 2- Godrej Consumer Products Ltd – It shows continuously increasing trend from 2007 to 2011.
- 3- Hindustan Unilever Ltd – It shows increasing trend except 2008.
- 4- Colgate Palmolive (India) Ltd – It shows continuously increasing from 2008 to 2011.

BOOK VALUE (INCL REV RES)

The variation of this ratio of different selected Indian public sector banks is shown in Chart 8. According to this graph

- 1- ITC Ltd. – It is contently increased from 2007 to 2010, but decreased in 2011.
- 2- Godrej Consumer Products Ltd – It shows increasing trend in all the years.
- 3- Hindustan Unilever Ltd – It is increased from 2008 to 2011.
- 4- Colgate Palmolive (India) Ltd - It is increased from 2008 to 2011.

NET OPERTING INCOME PER SHARE

The variation of this ratio of different selected Indian public sector banks is shown in Chart 9. According to this graph

- 1- ITC Ltd. – It is increased from 2007 to 2010, but declined in 2011.
- 2- Godrej Consumer Products Ltd – It is constantly increased expect in 2010
- 3- Hindustan Unilever Ltd – It is continuously increased in all the years.
- 4- Colgate Palmolive (India) Ltd - It is continuously increased in all the years.

FREE RESERVES PER SHARE

The variation of this ratio of different selected Indian public sector banks is shown in Chart 10.

- 1- ITC Ltd. – It is increased from 2007 to 2010, but in 2011 decreases.
- 2- Godrej Consumer Products Ltd – It is continuously increased from 2007 to 2011
- 3- Hindustan Unilever Ltd – It is increased from 2008 to 2011.
- 4- Colgate Palmolive (India) Ltd – It shown a continuously increasing trend from 2007 to 2011.

Chart : 1 Adjusted EPS (In Rs.)

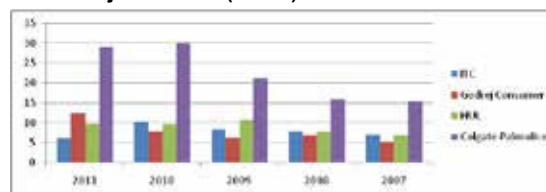


Chart : 2 Adjusted Cash EPS (In Rs.)

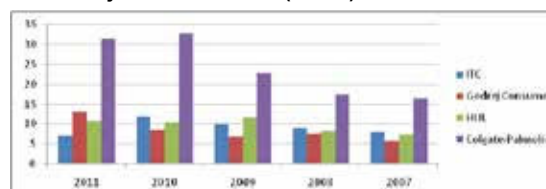


Chart : 3 Reported EPS (In Rs.)

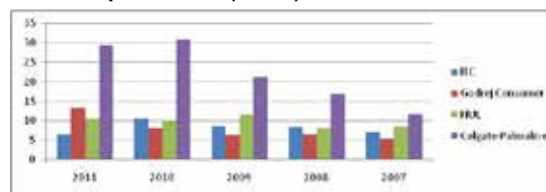


Chart : 4 Reported Cash EPS (In Rs.)

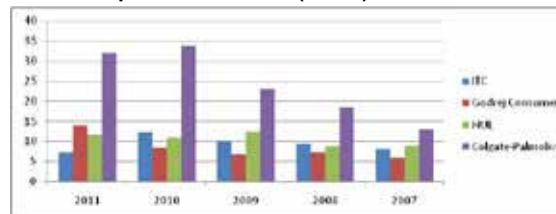


Chart : 5 Dividend per Share (In Rs.)

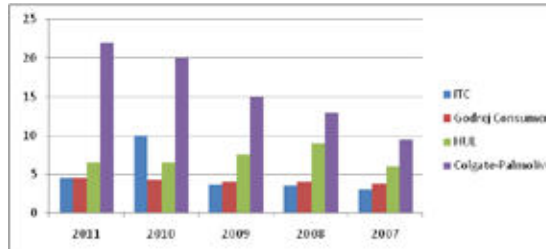


Chart : 6 Operating Profit per Share (In Rs.)

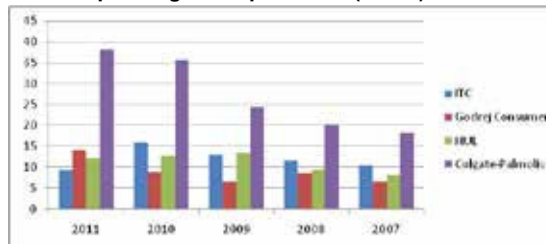


Chart : 7 Book value (excl rev res) per share (Rs)

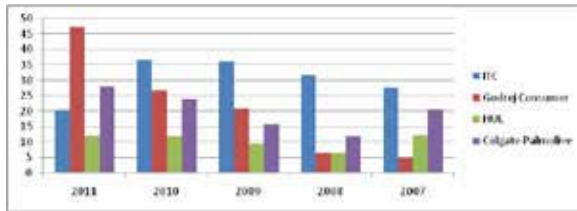


Chart : 9 Net Operating Income per share (Rs)

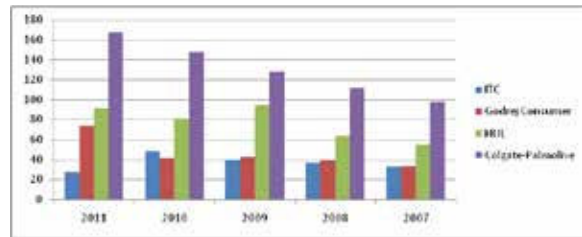


Chart : 8 Book value (incl rev res) per share (Rs)

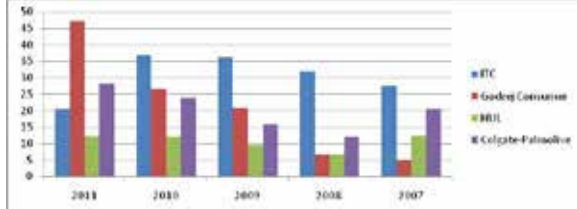
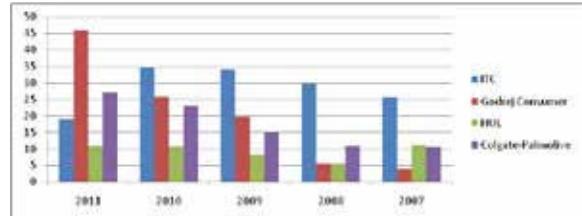


Chart : 10 Free Reserves per share (Rs)



REFERENCES

Annual reports of all the companies.