

A COMPARATIVE STUDY ON FINANCIAL PERFORMANCE OF KAVERI SEED COMPANY LTD AND GOODRICKE GROUP LTD

Dr. M.L.SHOBANA

Assistant Professor, Department of Commerce
Hindusthan College of Science and Commerce, Ingur, Perundurai, Erode.
Email - shobanamails@gmail.com

Abstract: Agriculture is the main occupation of the Indian peoples. Performance of Indian economy is dependent upon the growth of Agriculture Sector. The objective of this study is to compare the current financial performance with last five years and to study the existing financial position of Company. The data used in this study is secondary data through annual report. The data that are used in this study, Ratio Analysis, Mean, Variance and t Test. t test is found that, significance difference between all financial ratios of Kaveri seed and Goodricke, so the null hypothesis is rejected and alternate hypothesis is accepted.

Key Words: Hypothesis, Ratios, finance, liquidity, agriculture.

1. INTRODUCTION:

The contribution of the agriculture sector to GDP is continuously decreasing. As per the second advance estimates of national income- 2022-23, the share of Gross Value Added (GVA) of agriculture and allied sectors in the total economy and growth of GVA of agriculture and allied sectors, have gone down in the last 2-3 years. However, farmers' income is steadily growing. The Union Minister of Agriculture and Farmers Welfare, Narendra Singh Tomar informed the Lok Sabha. According to the estimates, released by the Ministry of Statistics & Programme Implementation (MoSPI), the GVA of agriculture and allied sectors in 2020-21 was 20.1%, it was 19% in 2021-22 and it again came down to 18.3% in 2022-23.

Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. Companies are achieving rapid and large-scale performance improvements with the help of multifaceted and automated approaches. In addition, disruptions caused by the pandemic are believed to have accelerated companies' performance improvements. It is not surprising, then, that businesses are using financial performance analysis to monitor the company's financial performance. It monitors and evaluates finance-related processes, tools, and techniques to measure the degree to which they have contributed to the financial objective of the organization.

2. Profile of Companies

Kaveri seeds today is India's largest agriculture company specializing in Hybrid Seeds in Key Indian crops. It was Setup in 1976 by Mr. GV Bhaskar Rao, with an objective to fuel India's Green revolution. Our pursuit of excellence backed by strong Research & Development (recognised by DSIR since 2001) has resulted in high – yield seeds that has made the company the trusted partner for farmers since the last three decades. We have steadily transformed our products & processes to deliver the best of science, while enhancing farm productivity and ensuring food and nutritional security for millions of people. With more than 1,00,000 production growers on 65,000 acres of land across 12 different agro-climatic zones, our diverse portfolio of seeds caters to key crop segments to enable crops for diverse agro – climate and soil conditions. By unlocking the latent power of seeds through our ideas, innovation and initiatives, we are driving unbounded growth for Kaveri as well as creating value for our stakeholders and the nation.

Goodricke Group Limited is a listed public company incorporated on 14 June, 1977. It is classified as a public limited company and is located in Kolkata, West Bengal. It is a part of the Camellia PLC UK the world's second largest private sector tea producer. It's authorized share capital is INR 22.00 cr and the total paid-up capital is INR 21.60 cr. Goodricke Group Limited's operating revenues range is Over INR 500 cr for the financial year ending on 31 March, 2021. It's EBITDA has increased by 45.90 % over the previous year. At the same time, it's book networth has increased by 6.09 %. The company engaged in the cultivating, manufacturing, and sale of tea in various forms. It operates in two segments: Export and Domestic. Its products include bulk teas and instant teas. It also owns tea gardens, which are located in Darjeeling, Assam, and Dooars. The firm generates majority revenue within India.

3. REVIEW OF LITERATURE:

Dr. Pramod Kumar Patjoshi (2016) "A COMPARATIVE STUDY ON FINANCIAL PERFORMANCE OF HINDLCO AND NALCO" In present modest environment, assessing the financial performance is decisive for corporations in manufacturing sector. The analysis of financial performance reproduces the financial position as well as profitability of the corporation, the level of the competitiveness in the identical sector, and detailed information about the cost and profit hubs within the corporation. Therefore, this study involves the financial performance of two major companies i.e. HINDALCO and NALCO aluminium manufacturing companies in India. To analyze financial performance of HINDALCO and NALCO data has been self-possessed from the data published from different website for the ten years from 2005-06 to 2014-15. Different financial ratios and t test have been employed to study the financial performance of HINDALCO and NALCO.

Himadri Roy, Basavaprabhu Jirli and Saikat Maji (2023) "Comparative Financial Performance Analysis of Farmer Producer Companies in Eastern Uttar Pradesh" In the present study, a comparative analysis of balance sheets and income statements was made for five different Farmer Producer Companies of Eastern Uttar Pradesh to identify the pattern of change in various financial components from 2019-20 to 2020-21. Based on the analysis, the important findings were that reserve and surpluses were significantly increased for most of the FPCs for future business expansion, three FPCs reported increased total liabilities, and all of the FPCs managed to grow their total assets compared to the previous year. The revenue growth rate for three FPCs was below par. The performance of the FPCs in respective to net profit after tax was asymmetric. Out of five, only four FPCs were able to meet all the operational expenses from the revenue generated out of business activities and hence, considered profit-making. Moreover, the overall financial performance of the FPCs was disrupted due to the wrath of the Covid-19 pandemic.

Dr. Satish Kumar Dr. Ankit Srivastava Dr. Abhishek Maheshwari Dr. Yogesh Kumar Jain (2021) "A COMPARATIVE STUDY OF FINANCIAL PERFORMANCE OF PUBLIC AND PRIVATE SECTOR BANKS IN INDIA" State Bank of India (SBI) is the largest bank in the public sector while ICICI is the largest bank in the private sector in India. The capital base, customer base, branches and trust of SBI is more than the ICICI bank. The SBI has its branches in rural as well as in urban areas while ICICI has its branches mainly in the urban areas. For the comparison of the banks, various ratios have been used to measure the bank's profitability and managerial efficiency. There are significant differences in the performance of both the banks. After analysing the data of last 7 years with different statistical tools. Although SBI is the oldest and largest bank of India but after analysing the different ratios, the performance of ICICI bank is better than the SBI. ICICI bank is able to provide better returns to their all the stakeholders including equity shareholders than the SBI. Hence, on the basis of the above study or analysis of seven financial periods, it can be concluded that ICICI bank is performing well in comparison to SBI. This study will help enhance further research on the subject by researchers and academicians.

4. Objectives of the study:

- To study the financial performance of selected two companies.
- To study and compare the liquidity, Solvency and profitability position of selected two companies.
- To study the selected companies financial ratios of selected agricultural companies.

5. Limitations of study:

- The present study is limited to two agricultural companies.
- The study is focused on successful agricultural companies in India.

6. Scope of the study:

The scope of the study is comparative performance analysis of selected Agricultural companies in India only from the duration of 2018-2019 to 2022-2023.

7. RESEARCH METHODOLOGY:

Source of data

The present study is based on secondary data. These data have been collected from annual report of the selected companies.

HYPOTHESIS

H0: There is no significant difference between different financial ratios of selected two companies.

H1: There is a significant difference between different financial ratios of selected two companies.

8. DATA ANALYSIS AND DISCUSSION:

Analysis of Major Financial Ratios

The following major ratios are used in this study like Current Ratio, Debt Equity ratio, Inventory turnover ratio, Net Profit Ratio, Return on Total Assets, and Return on Equity have been detailed table 1.

Table 1: Summary of Major Financial Ratios

Year	Current Ratio		Debt Equity Ratio		Inventory Turnover Ratio	
	Kaveri Seed	Goodricke	Kaveri Seed	Goodricke	Kaveri Seed	Goodricke
2018-2019	2.5	1.26	0.46	0.18	0.69	1.61
2019-2020	2.73	1.39	0.44	0.10	0.54	1.38
2020-2021	2.36	1.28	0.55	0.21	0.85	1.99
2021-2022	2.14	1.24	0.61	0.24	1.22	5.75
2022-2023	2.37	1.49	0.52	0.16	1.27	4.73
Average	2.42	1.33	0.52	0.18	0.91	3.09
Maximum	2.73	1.49	0.61	0.24	1.27	5.75
Minimum	2.14	1.24	0.44	0.10	0.54	1.38
Year	Net Profit Ratio		Return on Total Assets		Return on Equity	
	Kaveri Seed	Goodricke	Kaveri Seed	Goodricke	Kaveri Seed	Goodricke
2018-2019	26.68	-0.03	13.31	-0.05	19.44	-0.1
2019-2020	22.83	0.64	11.21	0.82	16.14	1.63
2020-2021	30.93	2.19	15.55	2.94	24.19	6.11
2021-2022	28.44	2.06	15.85	2.63	25.59	5.42
2022-2023	27.92	1.26	13.96	1.58	21.19	3.09
Average	27.36	1.22	13.98	1.58	21.31	3.23
Maximum	30.93	2.19	15.85	2.94	25.59	6.11
Minimum	22.83	-0.03	11.21	-0.05	16.14	-0.1

Source: Companies Annual Report

The above table shows that Current Ratio of sample companies has significant difference in entire study period. The absolute value of this ratio of Kaveri Seed was 2.5 in 2018-2019, which increased to 2.73 in 2019-2020 but declined to 2.37 in 2022-2023. The ratio has shown the value of Goodricke was fluctuating their ratios. Ratio of Kaveri Seed varied from 2.73 to 2.14 and varied from Goodricke 1.49 to 1.24. The average current ratio of both companies are 2.42 and 1.33 respectively.

Debt Equity of Kaveri Seed shown that fluctuated from 0.44 to 0.61, where as the ratio of Goodricke shown that fluctuated from 0.10 to 0.24. The average debt equity ratio of both the companies are 0.52 and 0.18 respectively.

Inventory turnover ratio of Kaveri Seed shown that increased from 0.54 to 1.27, where as the ratio of Goodricke shown that fluctuated from 1.38 to 5.75. The average debt equity ratios of both the companies are 0.91 and 3.09 respectively.

Net profit ratio of Kaveri Seed shown that fluctuated trend from 22.83 to 30.93, where as the ratio of Goodricke shown that fluctuated from -0.03 to 2.19. The average debt equity ratios of both the companies are 27.36 and 1.22 respectively.

Return on Total Asset of Kaveri Seed shown that increased from 11.21 to 15.85, where as the ratio of Goodricke shown that fluctuated from -0.05 to 2.94. The average debt equity ratios of both the companies are 13.98 and 1.58 respectively.

Return on Equity of Kaveri Seed shown that increased from 16.14 to 25.59, where as the ratio of Goodricke shown that fluctuated from -0.10 to 6.11. The average debt equity ratios of both the companies are 21.31 and 3.23 respectively.

Analysis of t-Test: Paired Two sample of Current Ratios

Table 2: t –Test of Paired Two Sample of Current Ratios

Particulars	Kaveri seed	Goodricke
Mean	2.42	1.332
Variance	0.057	0.526
Correlation	0.548	
t stat	11.968	
P(T<=t) two-tail	0.0001	
t Critical two-tail	2.776	

Source: Companies Annual Report

The above table shows that current ratio of Kaveri seed and Goodricke from 2018-2019 to 2022-2023 by the result of t test. Mean value of current ratio of Kaveri seed is greater than Goodricke; leading the liquidity position of Kaveri seed is better. Compared Kaveri seed and Goodricke of current ratio is lower variance. The Correlation value is 0.548 represents positive correlation between both companies. The P- Value of 0.0001, which is less than 0.05, indicates a significant difference in the value of current ratio between Kaveri seed and Goodricke at 5 percent level of significance.

Analysis of t-Test: Paired Two sample of Debt Equity Ratios

Table 3: t –Test of Paired Two Sample of Debt Equity Ratios

Particulars	Kaveri Seed	Goodricke
Mean	0.516	0.178
Variance	0.005	0.003
Correlation	0.867	
t stat	21.638	
P(T<=t) two-tail	0.000	
t Critical two-tail	2.776	

Source: Companies Annual Report

The above table shows that debt equity ratio of Kaveri seed and Goodricke from 2018-2019 to 2022-2023 by the result of t test. Mean value of debt equity ratio, Kaveri seed is greater than Goodricke. So Kaveri seed long term solvency is better than Goodricke. Compared Kaveri seed and Goodricke of debt equity ratio is lower variance. The Correlation value is 0.867 represents positive correlation between both companies. The P- Value of 0.0001, which is less than 0.05, indicates a significant difference in the value of debt equity ratio between Kaveri seed and Goodricke at 5 percent level of significance.

Analysis of t-Test: Paired Two sample of Inventory Turnover Ratios

Table 4: t –Test of Paired Two Sample of Inventory Turnover Ratios

Particulars	Kaveri Seed	Goodricke
Mean	0.914	3.092
Variance	0.104	4.022
Correlation	0.945	
t stat	-2.857	
P(T<=t) two-tail	0.046	
t Critical two-tail	2.776	

Source: Companies Annual Report

The above table shows that inventory turnover ratio of Kaveri seed and Goodricke from 2018-2019 to 2022-2023 by the result of t test. Mean value of inventory turnover ratio, Kaveri seed is less than Goodricke. It denotes goodricke is better inventory management than Kaver seed. Compared Kaveri seed and Goodricke of inventory turnover ratio is higher variance. It indicates higher variation between both companies. The Correlation value is 0.945 represents positive correlation between both companies. The P- Value of 0.04, which is less than 0.05, indicates a significant difference in the value of inventory turnover ratio between Kaveri seed and Goodricke at 5 percent level of significance.

Analysis of t-Test: Paired Two sample of Net Profit Ratios

Table 5: t –Test of Paired Two Sample of Net Profit Ratios

Particulars	Kaveri Seed	Goodricke
Mean	27.36	1.224
Variance	8.802	0.887
Correlation	0.704	
t stat	24.364	
P(T<=t) two-tail	0.0001	
t Critical two-tail	2.776	

Source: Companies Annual Report

The above table shows that net profit ratio of Kaveri seed and Goodricke from 2018-2019 to 2022-2023 by the result of t test. Mean value of net profit ratio, Kaveri seed is morethan than Goodricke. Compared Kaveri seed and Goodricke of net profit ratio is higher variance. It indicates higher variation between both companies. The Correlation value is 0.704 represents positive correlation between both companies. The P- Value of 0.0001, which is less than 0.05, indicates a significant difference in the value of net profit ratio between Kaveri seed and Goodricke at 5 percent level of significance.

Analysis of t-Test: Paired Two sample of Return on Total Asset

Table 6: t –Test of Paired Two Sample of Return on Total Asset

Particulars	Kaveri Seed	Goodricke
Mean	13.976	1.584
Variance	3.521	1.547
Correlation	0.782	
t stat	23.257	
P(T<=t) two-tail	0.0001	
t Critical two-tail	2.776	

Source: Companies Annual Report

The above table shows that return on total asset of Kaveri seed and Goodricke from 2018-2019 to 2022-2023 by the result of t test. Mean value of return on total asset, Kaveri seed is more than Goodricke. Compared Kaveri seed and Goodricke of return on total asset is higher variance. The Correlation value is 0.782 represents positive correlation between both companies. The P- Value of 0.0001, which is less than 0.05, indicates a significant difference in the value of return on total asset between Kaveri seed and Goodricke at 5 percent level of significance.

Analysis of t-Test: Paired Two sample of Return on Equity

Table 7: t –Test of Paired Two Sample of Return on Equity

Particulars	Kaveri Seed	Goodricke
Mean	21.31	3.23
Variance	14.213	6.69
Correlation	0.825	
t stat	18.431	
P(T<=t) two-tail	0.0001	
t Critical two-tail	2.776	

Source: Companies Annual Report

The above table shows that return on equity of Kaveri seed and Goodricke from 2018-2019 to 2022-2023 by the result of t test. Mean value of return on equity, Kaveri seed is more than Goodricke. Compared Kaveri seed and Goodricke of return on equity is higher variance. The Correlation value is 0.825 represents positive correlation between both companies. The P- Value of 0.0001, which is less than 0.05, indicates a significant difference in the value of return on equity between Kaveri seed and Goodricke at 5 percent level of significance.

9. SUGGESTION:

- Both companies liquidity position is good. So the companies maintain their position.
- Comparison of both companies long solvency position is moderate, so the companies concentrate their position.
- Compare to both companies, Kaveri seed ltd is must concentrate their inventory management.

10. CONCLUSION:

It is concluded that throughout study period both companies overall performance in terms of profitability, liquidity and credit quality denotes significant manner. Liquidity position of both companies current ratio and debt equity ratio is acceptable. Comparison of profitability position of Kaveri seed is better than Goodricke. Finally t test is found that, significance difference between all financial ratios of Kaveri seed and Goodricke, so the null hypothesis is rejected and alternate hypothesis is accepted.

REFERENCES

1. www.Kaveriseeds.in
2. <http://goodricke.com>
3. www.Moneycontrol.com
4. Dr. Satish Kumar (2021) "A COMPARATIVE STUDY OF FINANCIAL PERFORMANCE OF PUBLIC AND PRIVATE SECTOR BANKS IN INDIA" JOURNAL OF MANAGEMENT & ENTREPRENEURSHIP ISSN : 2229-5348 Vol. 15, No.5, P.No 61-71.
5. Dr. Biswanath Sukul(2016) "A Comparative Financial Analysis of TATA Steel Ltd. and SAIL" OSR Journal of Economics and Finance (IOSR-JEF) e-ISSN: 2321-5933, p-ISSN: 2321-5925. Volume 7, Issue 6 Ver. IV (Nov. - Dec. 2016), PP 01-05.
6. Mr. Saurabh Agarwal and 2Dr. Deepti Kakar(2021) "COMPARATIVE FINANCIAL ANALYSIS OF MSL AND TATA MOTORS" IJMER ISSN:2277-7881; IMPACT FACTOR :7.816(2021); IC VALUE:5.16; ISI VALUE:2.286 P.No:1-19.
7. Prof. Satyajitsinh Gohil, Pikul Goyal, Adarsh Varsani (2023) "COMPARATIVE STUDY OF FINANCIAL PERFORMANCE THROUGH RATIO ANALYSIS OF L&T AND RELIANCE INFRA" e-ISSN: 2582-5208 Volume:05/Issue:02/February-2023 Impact Factor- 6.752 www.irjmet.com.