



A STUDY ON PROFITABILITY OF SUBBURAJ TEXTILE MILL IN TIRUNELVELI

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ABSTRACT

The material business in India generally, after horticulture is the main business that has produced immense work for both gifted and untalented work in materials. The material business keeps on being the second biggest work producing part in India. It offers guide work to more than 35 million in the nation. As per the Ministry of materials, the part contributes around 14% to modern creation, 4% to the nations gross household (GDP) and 17% to the nation's fare profit. For this situation, the scientist has been connected a portion of the factual apparatuses like relationship, Index numbers, incline investigation are a portion of the vital measurable devices that have been utilized for the exploration work.

Keywords: Textile industry, Business, Profitability, Material

Introduction

Subburaj Group is a standout amongst the most unmistakable makers of significant worth added yarns to overall markets. The Group is built up at Tirunelveli in 1994, with clear vision, to cook the raising needs of materials industry with finest quality yarn. It contains Subburaj Spinning Mills (P) Ltd, Subburaj Textile factories (P) Ltd, Unit I and Unit II, Subburaj Processing Unit, Subburaj Cotspin Mills (P) Ltd. Quick and fruitful development of the Group since commencement is because of dynamic administration of experienced chiefs

and their extremist mentality. Colossal interest in the field of innovation, talented labor and our general capacity to adjust overall mechanical development decided us as extraordinary compared to other yarn maker conveying esteem included cotton yarn.

Incite conveyance of value items made us a dependable worry for clients. As indicated by the proverb "Diligent work never falls flat" our responsibility regarding work is appraised and they are respected with the profitable TUV endorsement for ISO9001&ISO14001. India is the second biggest maker of fiber on the planet and the significant fiber created is cotton. Different filaments created in India incorporate silk, jute, fleece, and man-made strands. 60% of the Indian material industry is cotton based. The significant Indian enterprises incorporate Bombay Dyeing, Fabindia, Grasim ventures, JCT Limited, Lakshmi Machine Works, Lakshmi Mills and Mysore Silk Factory.

Objectives of the study

- To know about the structure and process of the company
- To study about the profitability level of the company
- To identify the relationship between asset and liability with the help of correlation.
- To study about the future growth and trend and future activities in Subburaj textile mill private limited.
- To analyze the past trends of forecast future trend in profitability.

SCOPE OF THE STUDY

This study confined to profitability in Subburaj textile mills private limited, Shankar Nagar, Tirunelveli. This study is an attempt to analyses the profitability of the company, problems faced by the company and examines the factors which is basis for the success of their business.

SOURCES OF DATA

In this researcher use the Analytical Research. The study is based on secondary data were collected by the researcher. The sources of secondary data include the published articles and journals. All the tables for the present research are constructed from the information

1.6 TOOLS FOR ANALYSIS

Tabular analysis, correlation, Index numbers, trend analysis are some of the important statistical tools that have been used for the research work.

DATA ANALYSIS AND INTERPRETATION

Table:1 INDEX ANALYSIS FOR CURRENT ASSET

| Year | Current Asset | Growth % |
|-------------|---------------|----------|
| 2008 – 2009 | 370611106 | 100 |
| 2009 – 2010 | 279314992 | 75.36 |
| 2010 – 2011 | 505364334 | 136.35 |

Interpretation

The table shows above explaining the current asset of this company has been increasing except 2009 to 2010. The value is Rs. 279314992 (75.36%). But In the year 2010 to 2011 current asset is high (136.35%)

Table:2 INDEX ANALYSIS FOR CURRENT LIABILITY

| Year | Current Liability | Growth % |
|-------------|-------------------|----------|
| 2008 – 2009 | 90797574 | 100 |
| 2009 – 2010 | 83061640 | 91.48 |
| 2010 – 2011 | 254584842 | 280.38 |

Interpretation

The table shows above explaining the current liability of this company has been increasing each and every year.

Table:3 INDEX ANALYSIS FOR INCOME

| Year | Income | Growth % |
|-------------|-----------|----------|
| 2008 – 2009 | 583492332 | 100 |

| | | |
|-------------|-----------|--------|
| 2009 – 2010 | 625159925 | 107.14 |
| 2010 – 2011 | 852553602 | 146.11 |

Interpretation:

In the year 2009 – 10 Income is low in 107.14% compare with next year. In the year 2010 – 2011 income is high in 146.1%

Table:4 INDEX ANALYSIS FOR EXPENDITURE

| Year | Expenditure | Growth % |
|-------------|-------------|----------|
| 2008 – 2009 | 551454404 | 100 |
| 2009 – 2010 | 605914933 | 109.87 |
| 2010 – 2011 | 813431969 | 147.50 |

Interpretation:

In the year 2010 – 11 expenditure is high in 147.50%. Compare with previous year. In the year 2009 -10 exp is low in 109. 87%

Table:5 INDEX ANALYSIS FOR GROSS PROFIT

| Year | Gross profit | Growth % |
|-------------|--------------|----------|
| 2008 – 2009 | 32037928 | 100 |
| 2009 – 2010 | 19244992 | 60.06 |
| 2010 – 2011 | 39121633 | 122.11 |

Interpretation:

The Gross profit is very high value 122.11% in the year of 2010 – 11, Compare to previous year of 2009 – 10 that value is 60.06%

Table: 6 INDEX ANALYSIS FOR NET PROFIT

| Year | Net profit | Growth % |
|-------------|------------|----------|
| 2008 – 2009 | 3141851 | 100 |
| 2009 – 2010 | 27526195 | 876.11 |
| 2010 – 2011 | 3343785 | 106.42 |

Interpretation:

The Net profit is very high 876.11 in the year of 2009 – 10 compare to next (Subsequent) year. But Net Profit is very low 106.42% in the year of 2010 – 2011

Table: 7 INDEX ANALYSIS FOR PURCHASE

| Year | Purchase | Growth % |
|-------------|------------|----------|
| 2008 – 2009 | 3770730807 | 100 |
| 2009 – 2010 | 200411764 | 53.14 |
| 2010 – 2011 | 479758135 | 127.23 |

Interpretation:

In the year 2010 to 2011, the purchase value is high 127% compared to previous year of 2009 – 10. In the year 2009 – 10, the value is low 53.14%

Table: 8 INDEX ANALYSIS FOR SALES

| Year | Sales | Growth % |
|-------------|-----------|----------|
| 2008 – 2009 | 582129081 | 100 |
| 2009 – 2010 | 605817475 | 104.06 |
| 2010 – 2011 | 850927093 | 146.17 |

Interpretation:

The table shows above explaining the sales of this company has been increased by each and every year. In 2009 – 2010 The sales value is low 104.06% compared to next year.

CORRELATION**Table:9 CORRELATION OF INCOME AND EXPENDITURE**

| X | Y | $x = x - x$ | $y = y - y$ | x^2 | y^2 | xy |
|--------|--------|-------------|-------------|---------|---------|---------|
| 100 | 100 | -17.75 | -19.12 | 315 | 365.57 | 339.38 |
| 107.14 | 109.87 | -10.61 | -9.25 | 113 | 85.56 | 98.14 |
| 146.11 | 147.50 | 28.36 | 28.38 | 804.28 | 805.42 | 804.35 |
| 353.25 | 357.37 | - | - | 1232.28 | 1256.55 | 1242.37 |

Interpretation:

The correlation between Income and expenditure are positively correlated. $r = 0.99$

TABLE: 9.1 CORRELATION OF PURCHASE AND SALES

| X | y | $x = x - x$ | $y = y - y$ | x^2 | y^2 | xy |
|--------|--------|-------------|-------------|---------|--------|---------|
| 100 | 100 | 6.55 | -16.74 | 42.90 | 280.2 | -109.65 |
| 53.14 | 104.06 | -40.31 | -12.68 | 1624.89 | 160.78 | 511.13 |
| 127.23 | 146.17 | 33.78 | 29.43 | 1141 | 866.12 | 994.15 |
| 280.37 | 350.23 | - | - | 2808.79 | 1307.1 | 139563 |

Interpretation:

The correlation between purchase and sales shows positively correlated in the year 2009 – 2011. $r = 0.72$.

TREND ANALYSIS

Table:10

| Year | Income | X | X ² | XY |
|-------------|--------------|----|----------------|-------------|
| 2008 – 2009 | 100 | -1 | 1 | -100 |
| 2009 -2010 | 107.14 | 0 | 0 | 0 |
| 2010 – 2011 | 146.11 | 1 | 1 | 146.11 |
| | $y = 353.25$ | | $X^2=2$ | $XY= 46.11$ |

| Year | Estimated income |
|------|------------------|
| 2013 | 163.85 |
| 2014 | 186.9 |
| 2015 | 209.95 |

Interpretation: The above table shows the trend analysis of future income value for the period 2012 – 16. By using the formula $y = a + bx$ the forecasted value current asset for the period. The Income will be increasing in the future trend.

Table:10.1 Trend Analysis for Expenditure

| Year | Expenditure | X | X ² | XY |
|-------------|--------------|----|----------------|-------------|
| 2008 – 2009 | 100 | -1 | 1 | -100 |
| 2009 -2010 | 109.87 | 0 | 0 | 0 |
| 2010 – 2011 | 147.50 | 1 | 1 | 147.50 |
| | $y = 357.37$ | | $X^2=2$ | $XY= 47.50$ |

| Year | Estimated current assets |
|-------------|-------------------------------------|
| 2013 | 166.62 |
| 2014 | 190.37 |
| 2015 | 214.12 |
| | |

Interpretation:

The above table shows the trend analysis of future expenditure value for the period 2012 – 16. By using the formula $y = a + bx$. The forecasted value of expenditure is high amount.

Table:10.2 Trend Analysis for Sales

| Year | Sales | X | X² | XY |
|-------------|--------------|----------|----------------------|----------------|
| 2008 – 2009 | 100 | -1 | 1 | -100 |
| 2009 – 2010 | 104.06 | 0 | 0 | 0 |
| 2010 – 2011 | 146.17 | 1 | 1 | 146.17 |
| | $y = 350.23$ | | $X^2=2$ | $XY=$ 46.17 |

| Year | Estimated current assets |
|-------------|-------------------------------------|
| 2013 | 164.34 |
| 2014 | 188.14 |
| 2015 | 211.94 |

Interpretation

The forecasted value of sales gives a high value in the future with year by year. The above table shows the trend analysis of future sales value for the period 2012 – 2016.

Table 10.3 Trend Analysis for purchase

| Year | Purchase | X | X2 | XY |
|-------------|--------------|----|---------|-------------|
| 2008 – 2009 | 100 | -1 | 1 | -100 |
| 2009 – 2010 | 53.14 | 0 | 0 | 0 |
| 2010 – 2011 | 127.23 | 1 | 1 | 127.23 |
| | $y = 280.37$ | | $X^2=2$ | $XY= 27.23$ |

| Year | Estimated current assets |
|------|-----------------------------|
| 2013 | 120.67 |
| 2014 | 134.28 |
| 2015 | 147.89 |

Interpretation: The forecasted value automatically increased in the future purchase.

Recommendations

- Index analysis for the current asset and current liability's growth rate is good.
- Suddenly they are suffered from lot of expenses, it is like travelling expenses. Therefore they have to reduce the Travelling expenses.
- Correlation for the income and expenses purchase and sales is good, while these are shows the positive value.
- The working capital is not stable because the current asset decreased compare to current liability therefore we have to reduce the credit policy in company

Conclusion

The material business has a mind-boggling nearness in the financial life. In the chose material organization, Subburaj material factories general execution was palatable. The present business world has more rivalry in light of the fact that the world has turned into a worldwide town. So the organization's destinations ought to be to gain high benefit as well as to maintain the business with social or good commitment and most extreme use of perfect asset legitimately. Indian producers are putting vigorously in best in class apparatus and hardware, extending, turning, weaving, getting done with, handling and cut-and-sew offices. The copious accessibility of a very talented workforce enables these organizations to be minimal effort makers of fantastic cotton materials.

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