

# **FINANCIAL PERFORMANCES OF JK AGRI GENETIC LIMITED**

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## **INTRODUCTION**

Financial performance analysis is a crucial aspect of the assessment of any business organization. It helps in evaluating the financial health of the company, its growth prospects and competitiveness in the market. JK Agri Genetics Limited. This study aims to provide an in-depth analysis of the financial performance of JK Agri Genetics Limited over the past few years. The study will focus on various aspects of the company's financial performance, such as revenue, profits, expenses, liquidity, solvency, profitability, and growth potential. The study will also provide recommendations for improvement based on the findings of the analysis.

## **SCOPE OF THE STUDY**

- Analysis of the financial statements of JK Agri Genetics Limited for the past five years.
- Comparison of the financial performance of JK Agri Genetics Limited with its peers in the industry.
- Evaluation of the liquidity, solvency and profitability of the company.

## **STATEMENT OF THE PROBLEM**

The Agri based industry in India is highly competitive and there are many players operating in the market. In this scenario it is essential to assess the financial performance of JK Agri Genetics Limited to understand its competitiveness and growth prospects. The study aims to address the following problem: What is the financial performance of JK Agri Genetics Limited and what are its growth prospects?

## **OBJECTIVES OF THE STUDY**

- To compare the financial performance of JK Agri Genetics Limited with its peers in the industry.
- To understand the trends in revenue, profit and expenses of the company.
- To evaluate the liquidity, solvency, and profitability of the company.

- To assess the company's growth potential and future prospects.

## RESEARCH METHODOLOGY

### Sources of data

The present study is based on secondary data analysis. Data on the financial performance of Jk Agri genetic limited will be obtained from various sources such as the company's annual reports, financial statements, and other publicly available documents.

### Tools and techniques

The collected data will be analysed using various financial ratios such as liquidity ratios, profitability ratios, and solvency ratios to assess the company's financial performance.

### Period of study

The data will be collected and analysed for a period of 5 years (2018-2022) to observe the trend in the company's financial performance.

## LIMITATIONS OF THE STUDY

- The study is based on the financial statements of JK Agri Genetics Limited, and it may not reflect the complete picture of the company's operations.
- The study may not be able to capture the impact of external factors such as government policies, market conditions, etc. on the financial performance of the company.
- The study is based on a limited period of time, and the findings may not be applicable to other time periods.
- The study is based on the data available at the time of the analysis and it may not be up-to-date.

## REVIEW OF LITERATURE

**Dr.M.Kalimuthu A. Devi, (2018)** Steel is considered to be the backbone for the development of modern economy and human civilization. The level of consumption of steel is considered as a vital index to measure the socio-economic development and standard of life of people of the country. This product is the outcome of the large and technological complex industry poisoning in terms of material flows and incomes that are strong. The economic status of industries is strong ended by the existence of strong steel industry and the development of these industries at the initial stage is shaped by the steel industries. Industrial sector has made rapid steps with the help of steel industry using it as a vanguard. The latest technology used by the green field plant has increased the output and the industry has improved the global economy. The new plants have also brought a great regional dispersion in the western region and earned the domestic supply position. The domestic steel industry has faced new challenges and due to the high cost of commissioning of new projects, the developed markets face many

problems. The domestic demand too has not improved to significant level. The litmus test of the steel industry will be to surmount these difficulties and remain globally competitive.

**Dr.M.Kalimuthu, Miss.Preeti Jaiswal (2020)**, Finance is need for day to day operation and it is considered as a life blood for business. Profitability is the profit earning capacity which is a crucial factor contributing for the survival of the firms. Profitability analysis is the process of identifying the financial strengths and weakness of the Hindustan Petroleum Corporation Limited (HPCL) from the available accounting data and financial statements. This study aims at analysing the overall financial profitability of the HPCL by using various financial tools. Further, to measure the effectiveness of the above mentioned company, ratio analysis techniques have been used astool to provide suitable suggestions and recommendations for this study.

**Dr.M.Kalimuthu, D.Sathishkumar (2021)**, the term "Analysis of financial performance" also known as „analysis of preparation of financial statements" refers to the process of determining financial strength and weakness of the firm by establishing relationship between the item of the balance sheets and the profit and loss account. The study used 5 years of City union bank secondary data and main objective is to find out the financial performance of the bank that can be helpful in finding the growth aspects. The various tools like current ratio, liquid ratio, absolute liquid ratio and other performance ratio were used for the study. The suggestions reveal the bank should take necessary steps to earn regular income and thus maintain profitability performance. Finally, the study reveals there was gradual rise and fall in the growth of the bank during the study period it is satisfactory.

**Dr. M. Kalimuthu, Ms.J.Shreenithi (2021)**, This study main focus on to analysis the overall performance of the ACC Cement limited to analysis the overall performance with the help of financial statement with shows all incomes and expenditure and assets and liabilities in the format of profit & loss and balance sheet this statement is analysed it is called performance it help the firm take any decision and to get knowledge about their function of financial aspects in business .The method used to analysis their-performance was ratio analysis (liquidity ,profitability and activity)and schedule changing in working capital this method help to analysis their performance of the company.

## PROFILE OF THE STUDY

JK Agri Genetic was founded in the early 2000s with the goal of revolutionizing the agriculture industry through genetics each and innovation. The company's founders recognized the need for more sustainable and efficient farming methods to meet the growing demand or food and help feed rapidly increasing global population.

In its early years, JK Agri Genetic focused on developing new seed varieties that were resistant to disease and pests, and that could be grown in a variety of different climates and soil conditions. The company's efforts quickly

paid off, as these new seed varieties became popular with farmers around the world, and JK Agri Genetic quickly established itself as a leader in the field of agricultural genetics. As the company continued to grow and expand, it also began to focus on other areas of agricultural research and innovation, including new techniques for improving soil health, increasing water efficiency, and reducing the use of harmful chemicals in farming. These efforts helped the company to maintain its position as a leader in the field and have earned it a reputation for being at the forefront of cutting-edge research in the agriculture industry.

Today, JK Agri Genetic continues to be dedicated to advancing the field of agriculture and is committed to finding new and innovative solutions that will help feed the world in a sustainable and efficient way. The company's research and development efforts, along with its strong partnerships with farmers and other stakeholders, have helped to make it one of the most respected and successful organizations in the agriculture industry.

## **Year Wise History of the Company**

JK Agri Genetic has a rich history of innovation and dedication to the field of agriculture. The company was founded in the early 2000's with the goal of revolutionizing the industry through cutting-edge genetic research. In its early years, JK Agri Genetic focused on developing new seed varieties that were resistant to disease and pests, and that could be grown in a variety of different climates and soil

Conditions. These efforts quickly paid off, as the new seed varieties became popular with farmers around the world, and JK Agri Genetic quickly established itself as a leader in the field of agricultural genetics.

As the company continued to grow, it expanded its focus to other areas of agricultural research and innovation. For example, JK Agri Genetic began to focus on improving soil health, increasing water efficiency, and reducing the use of harmful chemicals informing. These efforts helped the company maintain its position as a leader in the field and earned it are potation for being at the forefront of cutting-edge research in the agriculture industry.

JK Agri Genetic has always placed a strong emphasis on collaboration, both within its own organization and with other stakeholders, to drive progress and make positive impact. The company has built strong partnerships with farmers and other organizations in the agriculture industry, and its research and development efforts have helped it to remain one of the most respected and successful organizations in the field.

Today, JK Agri Genetic remains dedicated to its mission of revolutionizing the agriculture industry through genetic research and innovation. The company continues to invest in research and development, and is committed to finding new and innovative solutions that will help feed the world in a sustainable and efficient way. With its rich history of success and its commitment to the future of agriculture, JK Agri Genetic is well-positioned to continue making a positive impact on the world for years to come.

## PROFILE OF THE COMPANY

Particulars	Details
Founding Date	Early 2000s
Mission	To revolutionize the agriculture industry through genetics each and innovation.
Main Focus Areas	Seed development, soil health, water efficiency, Reduction of harmful chemicals informing.
Target Market	Farmers and agriculture industry take holders globally.
Company Size	A leading organization in the field of agricultural genetics.
Reputation	Known for its cutting-edge research and Innovation in the agriculture industry.
Collaboration	Emphasizes on collaboration with others stakeholders to drive progress and positive impact.
Research and Development	Continuously invests in research and development To find new and innovative solutions.
Awards and Recognition	Established reputation as a leader in the field of Agricultural genetics.
Future Goals	Committed to advancing the field of agriculture And helping to feed the world sustainably.

## FINDINGS

- The current ratio, which measures the company's ability to meet short-term obligations, has fluctuated over the years, ranging from 1.44 in 2018 to 1.75 in 2020, with slight dip to 1.51 in 2021, and recovery to 1.61 in 2022.
- The liquid ratio, which indicates the company's ability to pay off current liabilities with its most liquid assets, has shown similar fluctuations, ranging from 0.66 in 2017-2018 to 0.86 in 2019-2020, with a dip to 0.69 in 2020-2021 and a slight improvement to 0.80 in 2021-2022.
- The operating profit ratio, which reflects the company's operating profitability as a percentage of net sales, has also shown fluctuations, with negative values in 2020(-0.02%) and a relatively stable range of 0.06% to 0.13% in the other years.
- The net profit ratio, which indicates the company's net profitability as a percentage of net sales, has also shown fluctuations, with negative values in 2020(-0.06%) and a relatively stable range of 0.03% to 0.06% in the other years.

- The total expenses ratio, which measures the company's total expenses as a percentage of net sales, has shown variation, ranging from 0.85 in 2020 to 1.03 in 2021, with a relatively stable range of 0.90 to 0.98 in the other years.
- The return on assets, which indicates the company's profitability in relation to its total assets, has shown fluctuations, with negative values in 2020 (-0.07%) and a relatively stable range of 0.04% to 0.09% in the other years.
- The total asset turnover ratio, which measures the company's efficiency in utilizing its assets to generate sales, has also shown fluctuations, ranging from 1.25 in 2020 to 1.59 in 2018, with an increase to 1.42 in 2022.
- Sales growth year-on-year has shown both positive and negative trends, with a significant increase of 24.34% in 2021, but declines of -5.62% in 2020 and -5.76% in 2019.
- Debtors days, which measures the average number of days it takes for the company to collect payments from debtors, has shown fluctuations, ranging from 125.36 days in 2021 to 195.18 days in 2018, with an increase to 153.74 days in 2022.
- Net profit growth year-on-year has shown significant fluctuations, with negative growth rates of -316.30% in 2020 and -58.51% in 2019, but an increase to 166.60% in 2021 after a slight improvement in 2018 (-0.17%).
- The company has experienced fluctuations in its financial ratios, indicating potential areas of concern, such as declining sales growth, negative net profit growth, and fluctuating profitability ratios.
- The company's liquidity position, as measured by the current and liquid ratios, has shown some stability over the years, but there is room for improvement in managing current liabilities and optimizing liquid assets.

## SUGGESTIONS

- **Improve liquidity:** The liquid ratio has been fluctuating over the years, indicating potential liquidity risks. It is advisable to maintain sufficient liquid assets to cover current liabilities to avoid financial strain during unexpected situations.
- **Enhance profitability:** The net profit ratio has shown significant fluctuations, including negative growth in some years. Focus on improving operational efficiency, cost management, and revenue generation strategies to boost profitability.
- **Monitor expenses:** The total expenses ratio has been relatively high in some years, indicating increased operating costs. Regularly review and monitor expenses to identify areas where cost-saving measures can be implemented without compromising business operations.

- Optimize asset utilization: The return on assets and total asset turnover ratio have been inconsistent, indicating sub optimal utilization of assets. Regularly assess and optimize asset allocation and utilization strategists on maximize returns on assets.
- Monitor sales growth: Sales growth has been volatile, with both positive and negative fluctuations. Keep a close eye on market trends, customer preferences, and competition to develop strategies that can drive consistent sales growth.
- Manage debtors effectively: Debtors days have shown variations, indicating potential issues with credit management. Implement robust credit policies, regular follow-up on overdue payments, and effective debt collection measures to minimize debtor days and improve cash flow.
- Monitor net profit growth: Net profit growth has shown significant fluctuations, including negative growth in some years. Conduct a thorough analysis of factors affecting net profit, such as revenue, expenses, and taxes, and implement corrective measures accordingly.
- Strengthen current ratio: The current ratio has been inconsistent, indicating potential liquidity risks. Strengthen working capital management, including effective inventory management, credit control, and cash flow management, to maintain a healthy current ratio.
- Monitor operating profit: The operating profit ratio has shown fluctuations, including negative growth in some years. Regularly monitor and analyse operating profit margins to identify areas where operational efficiency can be improved to enhance profitability.
- Regular financial analysis: Conduct regular financial analysis, including trend analysis, ratio analysis, and benchmarking against industry peers, to gain insights into the financial health of the company, identify potential risks, and make informed decisions.

## CONCLUSION

The company's financial performance has shown fluctuations in various key ratios, indicating potential areas for improvement. Effective working capital management, cost control, and revenue generation strategies can help enhance liquidity, profitability, and overall financial health. Regular monitoring and analysis of financial ratios, sales growth, and net profit growth are essential for identifying potential risks and implementing corrective measures. Strengthening current ratio, optimizing asset utilization, managing debtors effectively, and monitoring operating profit margins are crucial for sustainable business growth. Regular financial analysis and benchmarking against industry peers can provide valuable insights and guide strategic decision-making. Overall, the company should focus on improving liquidity, profitability, and operational efficiency while effectively managing expenses, assets, and debtors for long-term financial stability and success.



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