

# AN EMPIRICAL ANALYSIS OF LIQUIDITY AND PROFITABILITY PERFORMANCE OF SELECT TYRE COMPANIES IN INDIA

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## **ABSTRACT**

The study aims to analyse the liquidity and profitability performance of select tyre companies in India. Liquidity and Profitability are the two provisions which are mainly broadly watched in equally the investors and creditors to measure whether the company is performing fine or not. The study is based on secondary information were composed of published audited annual reports and the period of study to covered ten years from 2008 - 2009 to 2017 - 2018. The study used for statistical tools like ratios, mean, standard deviation, coefficient of variation. Therefore, during the study period, the result of liquidity position Good year Ltd. was satisfactory other than the selected tyre companies was not keep in an ideal level of liquidity position. The profitability performance of the Good year Ltd. was good comparatively other selected tyre companies during the study period. The total expenses ratio of all select tyre companies was above 90 per cent. The companies try to reduce our expenses and to keep at a minimum standard level of cash position. The government policy changes one of the factors to affect the company's financial performance like demonetization and goods and service tax.

**Key Words:** Current Ratio, Quick Ratio, Absolute Liquid Ratio, Gross Profit Ratio, Net Profit Ratio, Operating Profit Ratio and Expenses Ratio.

## Introduction

The analysis of profitability ratios is revealed how the profit position stands as a result of total translations made during the year. Such analysis is particularly attractive to the suppliers of funds who can estimate their investment and take decision consequently. On the other hand, profitability ratios are regularly helpful to the organization because these ratios return the effectiveness of the business venture as a whole. The term profitability is a combination concept relating to the efficiency of an organization to earn profits. Liquidity and Profitability are the two expressions which are most commonly viewed by both the investors and creditors to measure whether the business is doing good or not. It is associated with the maintenance of the proper point of working capital. This concept does not try to strike a level of liquidity that offers a comfortable balance of Profitability and Liquidity position of the select companies, that is to say, an investment of the company in working capital must be adequate, and neither excess nor less than what it should be. Where speculation of working capital is much more than the requirement, it will no doubt impair the firm's profitability. On the other hand, less than adequate level of working capital to leading the profitability of the firms through impaired liquidity. Therefore, it may generally be assumed that there is always a negative relationship between the two. But it is not true in all the cases. The subsistence of a linear relationship, while not permanent, between profitability and liquidity equivalent to the holding of current assets at a smallest amount up to ascertain level by firms, is not an impracticable proposition. The following concepts to explain what the way of profitability and liquidity are were differing.

1. Profitability alludes to benefits which the organization has made during the year which is determined as the distinction among income and cost done by the organization, while liquidity alludes to the accessibility of money with the organization any time of time.
2. A productive organization might not have enough liquidity because the majority of the assets of the organization are put into tasks and an organization which has a parcel of money or liquidity may not be gainful as a result of the absence of chances for putting inert money.
3. Gross profit, net profit, operating profit, return on investment utilized are a portion of the proportions which are utilized to ascertain productivity of the firm while current proportion, fluid proportion and money obligation inclusion proportion are a portion of the proportions which are utilized to figure liquidity of the firm.

4. The profitability of a business can fail for the time being if it doesn't have liquidity though an organization which has liquidity yet isn't productive can't fail for the time being.

Hence as should be obvious from the over that benefit and liquidity are not same and the organization needs to keep up a fine agreement between the two in such a case that organization centres around a lot of productivity then it risks not ready to pay its loan bosses, representatives and different gatherings though then again in the event that organization centres around liquidity and, at that point it risks going into misfortune.

## REVIEW OF LITREATURE

**Shrabantipal** (2015) undertook an evaluation of the financial performance of Indian automobile industry. In this study based on secondary data and the researcher were select ten market-leading companies for fifteen years from 1999 - 2000 to 2013 - 2014 onwards. Tools for use factor analysis and multiple regression analysis. Hence, the factor analysis mentions about three factors to solvency asset and cash flow management. Profitability and operating efficiency are exciting during the study period.

**Shivakumar and BabithaThimmaiah** (2016) examined the working capital management and its impact on liquidity and profitability of Coal India Ltd. The study based on secondary data for the period of five years from 2010 - 2011 to 2014 - 2015 and the data collected from published annual reports. The researcher was applied from correlation and Spearman's rank method. During the study period, the company working capital performance of the coal India limited is satisfactory but overall study period the company made some improvement ratio related to debtors and working capital turnover ratios. Such as improvement to help liquidity and profitability position of the company performance is better level.

**Tank Hetal** (2017) examine a comparative study on the liquidity performance analysis of selected pharmaceutical companies. Under this study based on secondary data and the period was selected for five years from 2011 - 2012 to 2015 - 2016. The data was collected from the selected company website of annual reports. The study was selected seven Pharmaceutical Companies and the tools used for liquidity ratios, statistical tools for ANOVA and to test a hypothesis. During the study period, companies should not make liquidity position and it's the company financial performance is a negative trend. So, the companies more concentrate on the increase of liquidity position of the firm.

**Sinha Mintibahen** (2017) found that research paper on liquidity and profitability analysis of the pharmaceutical companies of India. The study was selected 4 listed pharmaceutical companies and the study based on secondary data. The data were collected from published annual reports for the period of five years from 2010 – 2011 to 2013 – 2014 on select companies. The study used for tools in liquidity and profitability ratios, descriptive statistics and ANOVA test. The hypothesis is to be made attempt and the researcher to point out the profitability position is a positive trend. During the study period, all the selected companies should improve the liquidity and profitability of the next financial years.

**Ramya et al,** (2018) show that an analysis of the financial performance of Apollo tyres. In this study to identifying the strength and weakness of the firm. The study based on secondary data and the data collected from published journals and annual reports of the select company. The period of this study covered for five years from 2013 – 2017 and the data analysis used tools for financial ratios and various leverage ratios. During the study period, the company ratios analysis and leverage is a good support to view the financial background of the company. The overall financial performance of Apollo tyres is good and it is a positive impact of through the year

### **Statement of the problem**

Liquidity and profitability performance is a wide range to measure the actual financial position of the entire business firm. It is the factors to determine feature prediction and to take investment decision of the new shareholder. In this way, the Indian tyre companies to give an important role in the society for economically, socially, politically and environmentally. A tyre is the main factors in determining the road transportations of all over the world. Tyre companies facing a problem for increasing raw material price, demand and increasing high rate of import tax. In this way to companies are suffering the policy changing the demonetisation and GST. It is one of the factors to impact the price fluctuation and affect the financial position past years. Hence, the study to analyse the balance sheet and profit and loss account. Because in this two statement only to directly to create a good image of the new investors, creditors, stakeholders, debentures and academic researchers.

### **Objectives of the Study**

The main objectives of the study are to determine the liquidity and profitability position of select tyre companies in India. The following are the objectives are.

1. To examine the liquidity position of select tyre companies in India.
2. To evaluate the profitability performance of select tyre companies in India.

**Methodology of the study**

The study aims to analyse the liquidity and profitability performance analysis of select tyre companies in India. The researcher was select top tyre companies with listed in BSE and NSE, since Goodyear India Ltd, TVS Srichakra Ltd, Govind Rubber Ltd and Krypton Industries Ltd. The study is based on secondary data and the data were collected from audited annual reports for balance sheets and profit and loss account of the respected select tyre companies. The other secondary information was collected from a published thesis, articles, newspapers, government reports and unpublished thesis. Period of study covered for ten years from 2008-2009 to 2017-2018. The study used for tools for analysis accounting ratios, while among the statistical tools for Mean, Standard Deviation, Co-efficient of Variation.

**Analysis and Interpretations of the Results**

**Liquidity Ratios**

In this study to taken as the analysis purpose major three liquidity ratios of current ratio, quick ratio, cash position ratio this ratio to analysis the short term commitment of the select tyre companies in India. The following ratios discuss the current ratio of the select tyre companies in India.

**Current Ratio**

Current ratio is the relationship between current assets to current liabilities. It is satisfactory level of standard norms 2:1. Current ratio is calculated as:

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

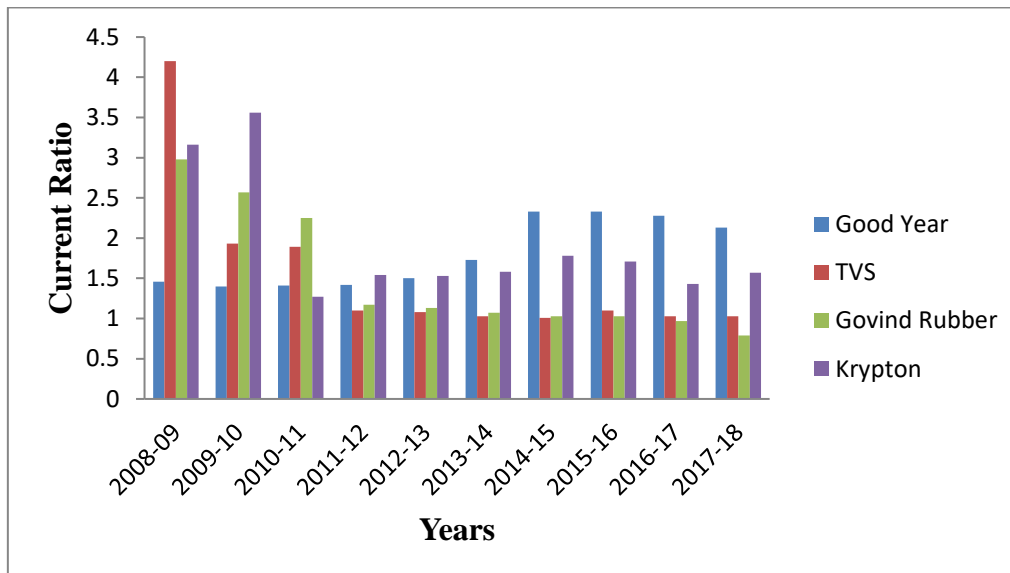
**Table 1 Current Ratio of Select Tyre Companies in India**

Years	<b>Ratios</b>			
	<b>Goodyear India Ltd</b>	<b>TVS Srichaksra Ltd</b>	<b>Govind Rubber Ltd</b>	<b>Krypton Industries Ltd</b>
<b>2008-2009</b>	1.46	4.20	2.98	3.16
<b>2009-2010</b>	1.40	1.93	2.57	3.56
<b>2010-2011</b>	1.41	1.89	2.25	1.27
<b>2011-2012</b>	1.42	1.10	1.17	1.54
<b>2012-2013</b>	1.50	1.08	1.13	1.53
<b>2013-2014</b>	1.73	1.03	1.07	1.58
<b>2014-2015</b>	2.33	1.01	1.03	1.78
<b>2015-2016</b>	2.33	1.10	1.03	1.71
<b>2016-2017</b>	2.28	1.03	0.97	1.43
<b>2017-2018</b>	2.13	1.03	0.79	1.57
<b>Mean</b>	1.80	1.54	1.50	1.91
<b>SD</b>	0.42	1.00	0.79	0.78
<b>CV%</b>	23.12	65.05	52.63	40.81

Source: Computed from Annual Reports

Table 1 shows that the current ratio of Goodyear India Ltd. was not satisfactory during the study period. The mean value of ratio is 1.80:1 times and the result indicating SD and CV is 0.42 times and 23.12 per cent respectively. A current ratio of TVS Srichakra Ltd. was not satisfactory during the study period. The mean value of ratio is 1.54:1 time and the results indicating the SD and CV is 1.00 times and 65.05 per cent. The current ratio of Govind rubber Ltd. was not satisfactory during the study period. The mean value of ratio is 1.50:1 time and the result of indicating SD and CV is 0.79 times and 52.63 per cent. The current ratio of krypton industries Ltd. was not satisfactory during the study period. Its mean value of ratio is 1.91 time and a results indicating SD and CV is 0.78 and 40.81 per cent. The following figure to show about current ratio.

**Figure 1 Current Ratio of Select Tyre Companies in India**



Source: Table 1

**Quick Ratio**

The quick ratio or liquid ratio or acid test ratio is relationship between quick assets and quick liabilities. It is satisfactory level of standard norms is 1:1 ratio. This ratio calculated as,,

$$\text{Quick Ratio} = \frac{\text{Quick Assets}}{\text{Current Liabilities}}$$

The following Table 2 shows that the quick ratio of Goodyear India Ltd. was satisfactory during the study period. The mean value of ratio is 1.46:1 times and the result indicating SD and CV is 0.32 times and 22.14 per cent respectively.

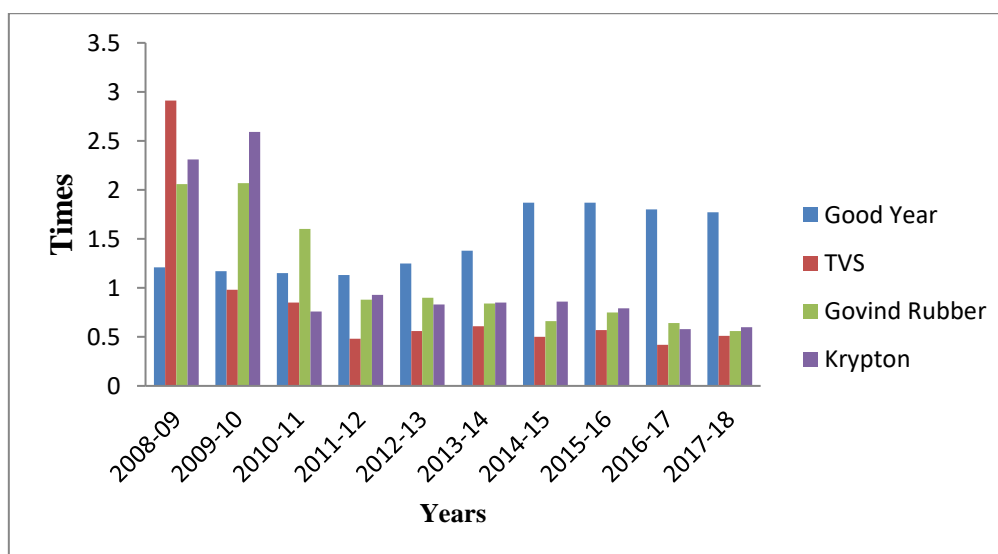
**Table 2 Quick Ratios of Select Tyre Companies in India**

Years	Ratios			
	Goodyear India Ltd	TVS Srichakra Ltd	Govind Rubber Ltd	Krypton Industries Ltd
2008-2009	1.21	2.91	2.06	2.31
2009-2010	1.17	0.98	2.07	2.59
2010-2011	1.15	0.85	1.60	0.76
2011-2012	1.13	0.48	0.88	0.93
2012-2013	1.25	0.56	0.90	0.83
2013-2014	1.38	0.61	0.84	0.85
2014-2015	1.87	0.50	0.66	0.86
2015-2016	1.87	0.57	0.75	0.79
2016-2017	1.80	0.42	0.64	0.58
2017-2018	1.77	0.51	0.56	0.60
Mean	1.46	0.84	1.10	1.11
SD	0.32	0.75	0.58	0.72
CV%	22.14	89.40	53.32	64.57

Source: Computed from Annual Reports.

A quick ratio of TVS Srichakra Ltd. was not satisfactory during the study period. The mean value of ratio is 0.84:1 time and the results indicating the SD and CV is 0.75 times and 89.40 per cent. The quick ratio of Govind rubber Ltd. was satisfactory during the study period. The mean value of ratio is 1.10:1 time and the result of indicating SD and CV is 0.58 times and 53.32 per cent. The quick ratio of Krypton Industries Ltd. was satisfactory during the study period. Its mean value of ratio is 1.11:1 times and a result indicating SD and CV is 0.72 and 64.57 per cent. The following figure to show about Quick ratio.

**Figure 2 Quick Ratios of Select Tyre Companies in India**



Source: Table 2

**Cash Position Ratio**

The Absolute liquid ratio or Cash position ratio is the difference from quick assets to quick liabilities. Its satisfactory level of standard norms is 0.50:1 ratio. This ratio calculated as,

$$\text{Cash Ratio} = \frac{\text{Cash and Bank Balance}}{\text{Current Liabilities}}$$

**Table 3 Cash Position Ratio of select Tyre Companies in India**

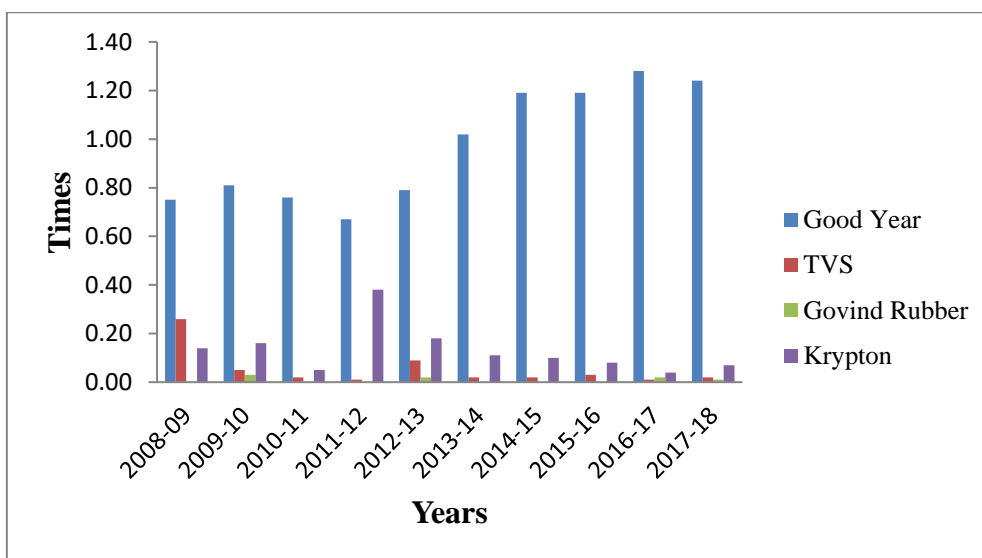
Years	<b>Ratios</b>			
	<b>Goodyear India Ltd</b>	<b>TVS Srichakra Ltd</b>	<b>Govind Rubber Ltd</b>	<b>Krypton Industries Ltd</b>
<b>2008-09</b>	0.75	0.26	0.00	0.14
<b>2009-10</b>	0.81	0.05	0.03	0.16
<b>2010-11</b>	0.76	0.02	0.00	0.05
<b>2011-12</b>	0.67	0.01	0.00	0.38
<b>2012-13</b>	0.79	0.09	0.02	0.18
<b>2013-14</b>	1.02	0.02	0.00	0.11
<b>2014-15</b>	1.19	0.02	0.00	0.10
<b>2015-16</b>	1.19	0.03	0.00	0.08
<b>2016-17</b>	1.28	0.01	0.02	0.04
<b>2017-18</b>	1.24	0.02	0.01	0.07
<b>Mean</b>	0.97	0.05	0.01	0.13
<b>SD</b>	0.24	0.08	0.01	0.10
<b>CV%</b>	24.65	140.29	106.89	74.50

Source: Computed from Annual Reports

Table 2 shows that cash position ratio of Goodyear India Ltd. was satisfactory during the study period. The mean value of ratio is 0.97:1 times and the result indicating SD and CV is 0.24 times and 24.65 per cent respectively. A cash position ratio of TVS Srichakra Ltd. was not satisfactory during the study period. The mean value of ratio is 0.05:1 times and the result indicating the SD and CV is 0.08 times and 140.29 per cent. The cash position ratio of Govind rubber Ltd. was not satisfactory during the study period. The mean value of ratio is 0.01:1 time and the result of indicating SD and CV is 0.01 times and 106.89 per cent. The cash position ratio of Krypton industries Ltd. was not satisfactory during the study period. Its mean value of ratio is 0.13:1 times and a result indicating SD and CV is 0.10 and 74.50 per cent. The following figure to show about cash position ratio.



**Figure 3 Cash Position Ratio of select Tyre Companies in India**



Source: Table 3

**Profitability Ratios**

The analysis of profitability performance is majorly discusses about Gross Profit Ratio, Net Profit Ratio, Operating Profit Ratio and Expenses Ratio. The following table to discuss about profitability ratio of select tyre companies in India.

**Gross Profit Ratio**

It is a ratio to determine by the gross profit to net sales. The ratio were calculated as the following aspects are,

$$\text{Gross Profit Ratio} = \frac{\text{Gross Profit}}{\text{Net Sales}} \times 100$$

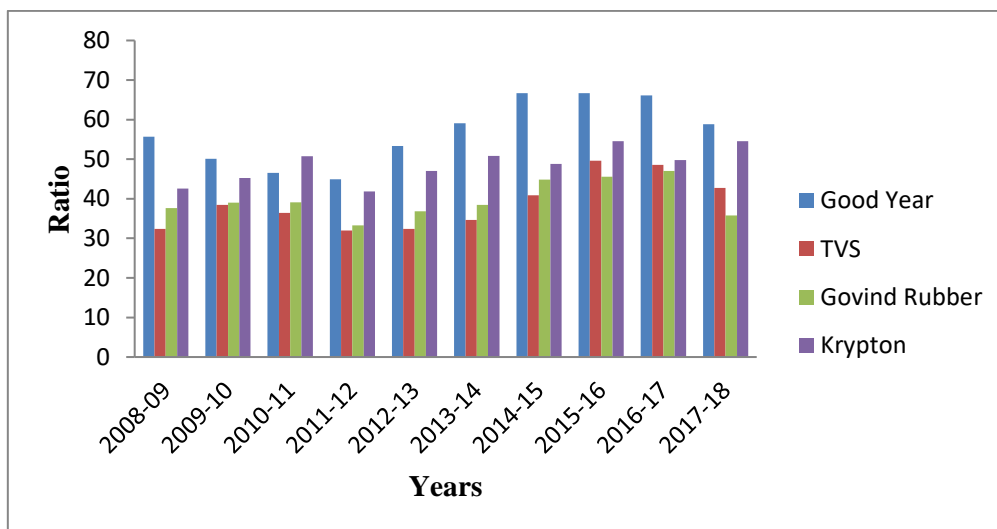
**Table 4 Gross Profit Ratio of select Tyre Companies in India**

Years	Ratios			
	Goodyear India Ltd	TVS Srichakra Ltd	Govind Rubber Ltd	Krypton Industries Ltd
2008-09	55.71	32.38	37.67	42.57
2009-10	50.11	38.48	39.01	45.27
2010-11	46.57	36.45	39.10	50.77
2011-12	44.89	32.00	33.26	41.82
2012-13	53.37	32.39	36.82	47.00
2013-14	59.10	34.61	38.41	50.83
2014-15	66.72	40.89	44.84	48.80
2015-16	66.72	49.60	45.58	54.53
2016-17	66.13	48.60	47.00	49.76
2017-18	58.83	42.71	35.75	54.53
Mean	56.81	38.81	39.74	48.59
SD	8.15	6.53	4.55	4.44
CV%	14.34	16.83	11.44	9.14

Source: Computed from Annual Reports

Table 4 shows gross profit ratio of Good year Ltd. was fluctuating during the study period. The ratio ranged from 55.71 per cent to 58.83 per cent. The mean value of ratio is 56.81 per cent and the result of SD and CV is 8.15 and 14.34 per cent. The gross profit ratio of the company was satisfactory. Gross profit ratio of TVS Srichakra Ltd. was fluctuating trend during the study period. The ratio ranged from 32.38 per cent to 42.71 per cent. The mean value of ratio is 38.81 per cent and a result of SD and CV is 6.53 and 14.34 per cent. It gross profit ratio of the company was not good during the study period. The gross profit ratio of Govind Rubber Ltd. was fluctuating trend during the study period. Its ratio ranged from 37.67 to 35.75 per cent and the ratio of mean value is 39.74 per cent. The result of SD and CV is low level deviation from its mean value.. The gross profit ratio of the company was not good during the study period. A gross profit ratio of Krypton Industries Ltd. was fluctuating during the study period. Its ratio ranged from 42.57 to 54.53 per cent and the ratio of mean value is 48.59 per cent. The result of SD and CV is low level deviation from its mean value. The gross profit ratio was not good during the study period.

**Figure 4 Gross Profit Ratios of Select Tyre Companies in India**



Source: Table 4

**Net Profit Ratio**

Net profit ratio refers to the net profit to net sales. The following table was given by the net profit ratio of select tyre companies in India. A calculation of net profit ratio is,

$$\text{Net Profit Ratio} = \frac{\text{Net Profit}}{\text{Net Sales}} \times 100$$

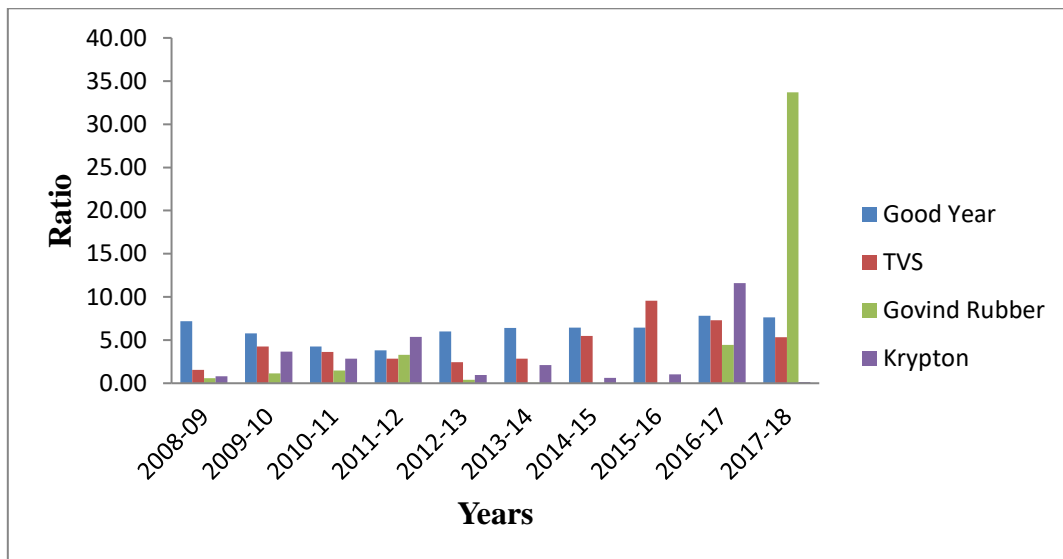
**Table 5 Net Profit Ratio of the Select Tyre Companies in India**

Years	Ratios			
	Goodyear India Ltd	TVS Srichakra Ltd	Govind Rubber Ltd	Krypton Industries Ltd
2008-09	7.20	1.56	0.58	0.82
2009-10	5.77	4.26	1.13	3.65
2010-11	4.27	3.61	1.49	2.85
2011-12	3.80	2.83	3.28	5.35
2012-13	6.00	2.42	0.38	0.94
2013-14	6.41	2.84	0.07	2.11
2014-15	6.44	5.47	0.02	0.63
2015-16	6.44	9.57	0.04	1.02
2016-17	7.83	7.29	4.44	11.60
2017-18	7.62	5.34	33.70	0.14
Mean	6.18	4.52	4.51	2.91
SD	1.31	2.46	10.36	3.45
CV%	21.26	54.46	229.63	118.67

Source: Computed from Annual Reports

Table 5 shows net profit ratio of Goodyear India Ltd. was fluctuating during the study period. The ratio ranged from 7.20 per cent to 7.62 per cent. The mean value of ratio is 6.18 per cent and the result of SD and CV is 1.31 and 21.26 per cent. The gross profit ratio of the company was satisfactory. A net profit ratio of TVS Srichakra Ltd. was fluctuating trend during the study period. The ratio ranged from 1.56 per cent to 5.34 per cent. The mean value of ratio is 4.52 per cent and a result of SD and CV is 2.46 and 54.46 per cent. It is gross profit ratio of the company was satisfactory during the study period. The net profit ratio of the Govind Rubber Ltd. was increase during the study period. Its ratio ranged from 0.58 to 33.70 per cent and the ratio of mean value is 4.51 per cent. The result of SD and CV is high level deviation from its mean value. The net profit ratio of the company was not good during the study period. Net profit ratio of the Krypton Industries Ltd. was fluctuating trend during the study period. The ratio ranged from 0.82 to 0.14 per cent and its ratio of mean value is 2.91 per cent. The result of SD and CV is moderate level deviation from its mean value. The net profit ratio of the company was not good during the study period.

**Figure 5 Net Profit Ratios of Select Tyre Companies in India**



Source: Table 5

**Operating Profit Ratio**

Operating profit ratio refers to the operating profit to net sales and the ratio was calculated as,

$$\text{Operating Profit Ratio} = \frac{\text{Operating Profit}}{\text{Net Sales}} \times 100$$

**Table 6 Operating Profit Ratio of the select Tyre Companies in India**

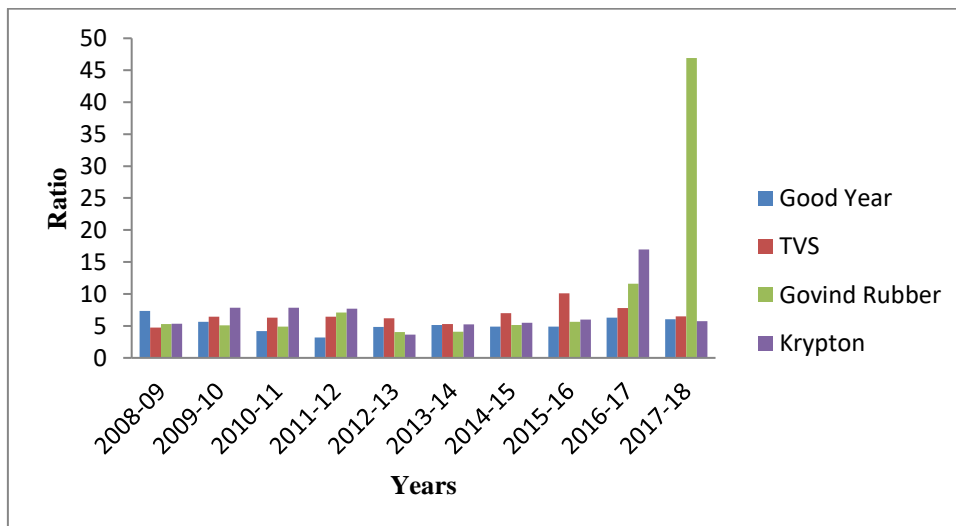
Years	Ratios			
	Goodyear India Ltd	TVS Srichakra Ltd	Govind Rubber Ltd	Krypton Industries Ltd
2008-09	7.36	4.75	5.29	5.34
2009-10	5.62	6.45	5.09	7.84
2010-11	4.20	6.30	4.88	7.85
2011-12	3.18	6.44	7.08	7.72
2012-13	4.85	6.18	4.04	3.65
2013-14	5.15	5.27	4.11	5.26
2014-15	4.91	6.97	5.16	5.48
2015-16	4.91	10.12	5.65	5.99
2016-17	6.29	7.79	11.59	16.97
2017-18	6.06	6.47	46.91	5.72
Mean	5.25	6.67	9.98	7.18
SD	1.16	1.47	13.16	3.70
CV%	22.08	22.01	131.85	51.46

Source: Computed from Annual Reports

Table 6 shows operating profit ratio of Goodyear India Ltd. was fluctuating during the study period. The ratio ranged from 7.36 per cent to 6.06 per cent. The mean value of ratio is 5.25 per cent and the result of SD and CV is 1.16 and 22.08 per cent. The Operating profit ratio of the company was satisfactory. An operating profit ratio of TVS Srichakra Ltd. was

fluctuating trend during the study period. The ratio ranged from 4.75 per cent to 6.47 per cent. The mean value of ratio is 6.67 per cent and a result of SD and CV is 1.47 and 22.01 per cent. It is a low level deviation from its mean value. The operating profit ratio of the company was satisfactory during the study period. The operating profit ratio of the Govind Rubber Ltd. was increase during the study period. Its ratio ranged from 5.29 to 46.91 per cent and the ratio of mean value is 9.98 per cent. The result of SD and CV is high level deviation from its mean value. The operating profit ratio of the company was satisfactory during the study period. Operating profit ratio of the Krypton Industries Ltd. was fluctuating trend during the study period. The ratio ranged from 5.34 to 5.72 per cent and its ratio of mean value is 7.18 per cent. The result of SD and CV is moderate level deviation from its mean value. The net profit ratio of the company was not good during the study period.

**Figure 5 Operating Profit Ratio of Select Tyre Companies in India**



Source: Table 6

**Expenses Ratio**

Expenses ratio refers to the total expenses to net sales and the ratio was calculated as,

$$\text{Expenses Ratio} = \frac{\text{Total Expenses}}{\text{Net Sales}} \times 100$$

**Table 7 Expenses Ratio of the select Tyre Companies in India**

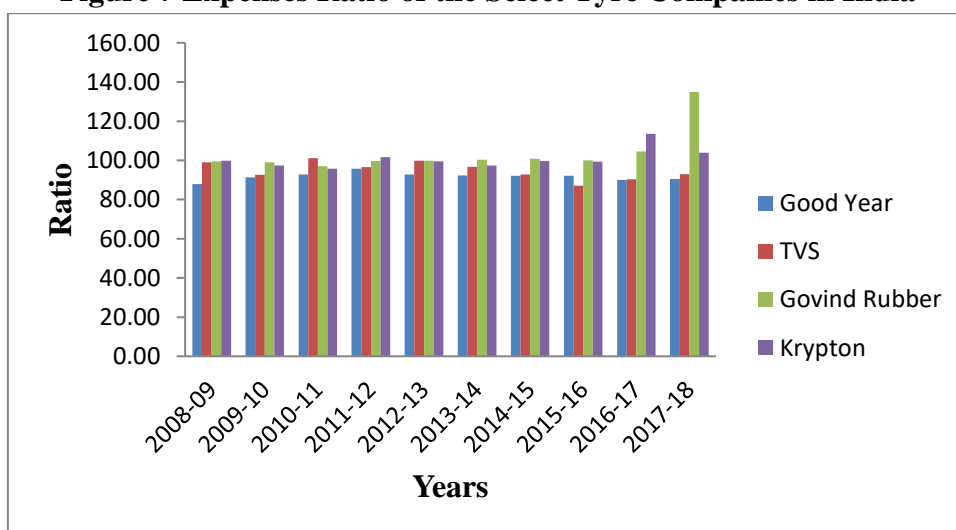
Years	Ratios			
	Goodyear India Ltd	TVS Srichakra Ltd	Govind Rubber Ltd	Krypton Industries Ltd
2008-09	87.93	99.07	99.57	99.77
2009-10	91.31	92.68	98.94	97.33
2010-11	92.74	101.09	97.10	95.69
2011-12	95.76	96.52	99.64	101.68
2012-13	92.88	99.76	99.75	99.51
2013-14	92.30	96.74	100.40	97.39

<b>2014-15</b>	92.11	92.83	100.76	99.61
<b>2015-16</b>	92.11	87.12	100.06	99.38
<b>2016-17</b>	90.00	90.29	104.59	113.55
<b>2017-18</b>	90.47	93.01	134.94	103.99
<b>Mean</b>	91.76	94.91	103.58	100.79
<b>SD</b>	2.07	4.47	11.18	5.05
<b>CV%</b>	2.25%	4.71%	10.79%	5.01%

Source: Computed from Annual Reports

Table 7 shows that expenses ratio of Goodyear India Ltd. was fluctuating during the study period. The ratio ranged from 87.93 per cent to 90.47 per cent. The mean value of ratio is 91.76 per cent and the result of SD and CV is indicating a low level deviation from its mean value. The expenses ratio of the company was not satisfactory. Expenses ratio of TVS Srichakra Ltd. was fluctuating during the study period. The ratio ranged from 99.07 per cent to 93.01 per cent. The mean value of ratio is 94.91 per cent and a result of SD and CV is low level deviation from its mean value. The expenses ratio of the company was not satisfactory during the study period. The expenses ratio of the Govind Rubber Ltd. was increase during the study period. Its ratio ranged from 99.57 to 134.94 per cent and the ratio of mean value is 103.58 per cent. The result of SD and CV is very low level deviation from its mean value. The expense ratio of the company was not good during the study period. Expenses ratio of the Krypton Industries Ltd. was fluctuating trend during the study period. The ratio ranged from 99.77 to 103.99 per cent and its ratio of mean value is 100.79 per cent. The result of SD and CV is very low level deviation from its mean value. The expenses ratio of the company was not good during the study period.

**Figure 7 Expenses Ratio of the Select Tyre Companies in India**



Source: Table 7

## Conclusion

Profitability and liquidity ratios are the two expressions which are most commonly viewed by both the investors and creditors in order to measure whether the business is doing good or not. In this study to mainly discuss about liquidity and profitability performance analysis of select tyre companies in India. Hence, during the study period liquidity position of the Goodyear India Ltd. was satisfactory level but other than rest of the companies was not satisfactory during the study period. The profitability performance of the Goodyear India Ltd. was good other rest of the companies not satisfactory during the study period. During the study period the entire select tyre companies above 90 per cent of expenses ratio it is the level of performance is not good. So, the companies try to reduce our expenses and to keep at minimum standard level of cash position. Because all investor to directly view about Profit position and Cash position of the investing companies. At low level cash position of the companies do not meet current commitments.

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