

“An analysis of financial factors affecting the performance of selected SMEs with reference to Maharashtra state”

A Synopsis Submitted to

THE MAHARAJA SAYAJIRAO UNIVERSITY OF BARODA

For the degree of

DOCTOR OF PHILOSOPHY

(Accounting and Financial Management)

Guide-

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1 Introduction

1.1 Background MSMEs in India

Indian Small and Medium Enterprises (SME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. SMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural areas. SMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country. The Sector consisting of 36 million units, as of today, provides employment to over 80 million persons. As per Annual report MEMEs 2014-15”The Sector through more than 6,000 products contributes about 8% to GDP besides 45% to the total manufacturing output and 40% to the exports from the country.” The SME sector has the potential to spread industrial growth across the country and can be a major partner in the process of inclusive growth.

SMEs also play a significant role in Nation development through high contribution to Domestic Production, Significant Export Earnings, Low Investment Requirements, Operational Flexibility, Location Wise Mobility, Low Intensive Imports, Capacities to Develop Appropriate Indigenous Technology, Import Substitution, Contribution towards Defense Production, Technology – Oriented Industries, Competitiveness in Domestic and Export Markets thereby generating new entrepreneurs by providing knowledge and training.

1.2 Definition of MSMEs:

The Government of India has revised the definition, of small scale industries over the years, presently as per the enactment of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 in terms of which the definition of micro, small and medium enterprises are as under Table

Table -:Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Enterprises	Manufacturing	Services
Micro	Upto Rs. 25 lakhs	Upto Rs. 10 lakhs
Small	Between Rs. 25 lakhs to Rs. 5 crores	Between Rs. 10 lakhs to Rs. 2 crores
Medium	Between Rs. 5 crores to Rs. 10 crores	Between Rs. 2 crores to Rs. 5 crores

Source: Ministry of MSME

1.3 SMEs ARE THE BACKBONE OF INDIAN ECONOMY

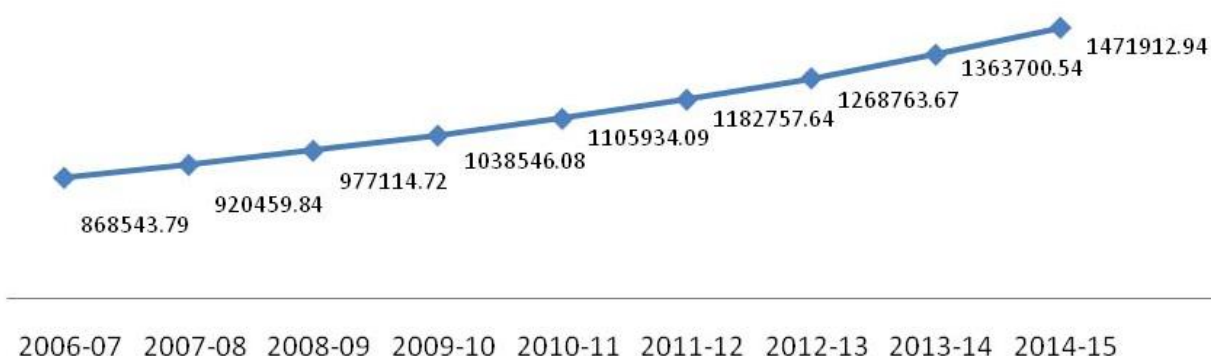
Small and Medium Enterprises (SMEs) have played a vital role in India's economic growth. With over 30 million units, manufacturing SMEs accounted for 6.11 per cent of the country's GDP in 2014-15 and MSME service sector in Gross Domestic Product is 24.63 percent, In all total MSME sector contribution in GDP is 30.75% in the year 2014-15. Small & Medium Business Development Chamber of India projects the share of SMEs in the expansion of the Indian economy to increase to 40 per cent of the GDP in 2016. The estimate is backed by its assumption of 15 million additional people joining the SME sector over the period 2016-17; SME units currently employ 1,117.32 lakhs people in the year 2014-15. As per All India census of MSMEs ,Share of MSME manufacturing output in total manufacturing output is 33.40% in 2014-15.¹

MSME Sector plays critical role in the industrial development of any economy as could be seen in the historical records of presently developed countries. These units act as ancillary units and provide processed raw material to advanced industrial units. Thus the quality of final products of advanced industrial units, to a large extent, depends on the material supplied by MSME units. In addition to this, these units also provide unskilled and semi-skilled labor to these advanced industrial units. Several MSMEs also directly produce and supply final products to consumers also. If these MSMEs receive continuous demand orders from domestic and export markets then it may give such a platform to these MSMEs that many of them by stepping up improve their status as advanced industrial units. And thus take the economy to the path of industrial development.

1.4 The performance of MSMEs in India

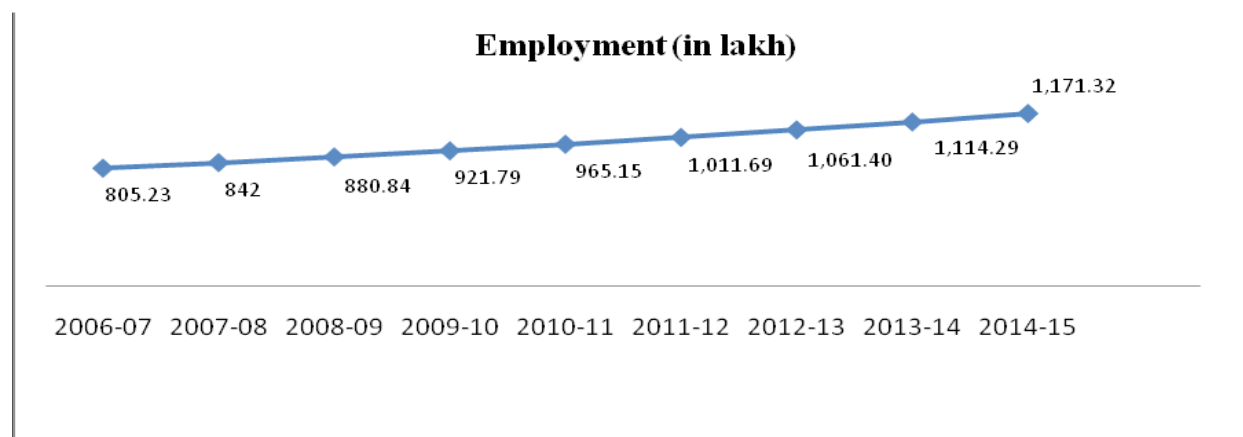
The government as well as NGOs has been actively involved in this endeavor. With improving skills, better coordination with bigger firms and greater technological access, MSMEs in India have moved into a higher curve of success. The sector currently produces more than 6,000 quality products, ranging from handloom saris, carpets and soaps to pickles and machine parts, for huge industries targeting domestic and international markets.

Market Value of Fixed Assets (Rs. in crore)



Sources-MSME Report

According to the Ministry Of Micro, Small and Medium Enterprises, the number of MSME units in India has grown at a CAGR of 4.5 per cent during FY07 –FY11, and stood at 31.2 million at the end of FY11. The cumulative investments in these units rose at a CAGR of 11.5 per cent during the same period. Strong growth in total investments in MSMEs indicates towards their expanding footprint and growing importance. The MSMEs are increasingly contributing towards employment generation in India. The number of people employed by MSME has grown to 73.2 million during FY11 ,in the year 2014-15 it counts to 147191.29 crore.



Sources-MSME Report 2016-17

2 Review of literature

A) Sudhansu Sekhar Nanda in his paper states that

The Micro, Small and Medium Enterprises (MSMEs) contribute to economic development in various ways, such as creating employment opportunities for rural and urban population, providing goods & services at affordable costs by offering innovative solutions and sustainable development of the economy as a whole. SMEs in India face a number of problems - absence of adequate and timely banking, finance, non-availability of suitable technology, ineffective marketing due to limited resources and non availability of skilled manpower.

B) Bala Subrahmanya (2004) highlighted the impact of globalization and domestic reforms on small-scale industries sector. The study stated that small industry had suffered in terms of growth of units, employment, output and exports. The Researcher highlighted that the policy changes had also thrown open new opportunities and markets for the small-scale industries sector. He suggested that the focus must be turned to technology development and strengthening of financial infrastructure in order to make Indian small industry internationally competitive and contribute to national income and employment.

This study provided several insights on the relationship between financial management practices and SMEs financial performance. Here author argued that this relationship is mediated by various financial planning capabilities not straight forward. The researcher has proposed several hypothesis concerning financial forecasting & budgetary Planning, working capital availability, financial reporting and analysis, inventory management capabilities, and all were empirically

validated the same. One reason why financial forecasting & budgetary planning capabilities contributed most to the financial performance because of pre-hand estimation of required funds, revenue and cost and it makes it one of the most crucial aspects of financial performance. While working capital availability, financial reporting & analysis capabilities also contributed significantly as expected, but the slight contribution of inventory management capabilities is beyond belief.

C) Choudhary,Vikas Motiram states in his research The Indian small enterprises must embrace change if they have to survive and find a place for themselves in the global competitive environment. Pertinent changes need to be worked out not only in the attitude of the stakeholders but also in the mindset of the institutions which are engaged in the task of development of small enterprises. 33 percent of the enterprises in Marathwada Region were highly successful companies, 26.66 per cent were moderately effective, and however 40 percent of the respondents maintained that they were not highly successful but sustaining in the business

2.1 LITERATURE REVIEW ANALYSIS

The foregoing reviews of existing literature on the subject reveal that though a large number of studies on the small-scale industries have been conducted, yet no comprehensive study is devoted to analyze the impact of financial factors on SMEs performance in Maharashtra state.

In order to avoid the inclusion of irrelevant material in this chapter, Researcher has segregated into three parts

- 1 The international studies related to SMEs in other countries except India
- 2 Studies related to Indian industry and SMEs and SMEs in Maharashtra
- 3 Studies related to financial factors affecting industry performance

3 NEED OF THE STUDY

Literature review indicates that SMEs play an important role in the economy of many countries across the globe, be they developed or developing Nations. However, SMEs have been said to report high rate of failures with many enterprises dying at an infant stage. Very few of the SMEs grow to become big enterprises. The reason to this failure is pegged on the various factors that continue to impose stagnation of the industry in terms of performance. They include: lack of access to credit, regulatory framework, management issues, market barriers and education and training. Therefore this study is aimed at investigating the factors affecting the performance of SMEs enterprises within Maharashtra in India. Such research gaps has necessitated to study on the subject.

State-Wise Distribution of Registered Working Small Scale Enterprises

	No of Enterprises	Employment	Original value of plant & machinery (in Rs. crore)	Market value of fixed investment (in Rs. crore)
Maharashtra	86586	1088790	12384.89	54365.37
India	1563974	9309486	105024.61	449138.40

Sources-MSME Report-2015-16

State/Union Territory-wise number of sick MSMEs (Number of sick MSMEs at the end of March)

	2011	2012	2013	2014	2015
Maharashtra	8,815	10,136	31,322	43,411	50,006
India	90,141	85,591	2,47,289	4,68,397	5,16,619

Source-Ministry of MSME report

As per Times of India article dated Jul 25, 2015 The number of sick micro, small and medium enterprises (MSMEs) in Maharashtra has increased by 15.19% during financial year 2014-15 as compared to 2013-14. The state has the second highest number of sick industries in the country after Uttar Pradesh.

4 RESEARCH PROBLEM

In the research, researcher analyzed the factors influencing the performance of SMEs with special reference to Maharashtra state.

Maharashtra contributes 8.34% of sick enterprises, in the recent years. A number of emerging issues are posing serious challenges to the small and medium sized enterprises (SME's) in Maharashtra.

Hence, these enterprises enter the new era, dramatic challenges begun such as

- a. Capital structure,
- b. Financial constraints
- c. High turnover
- d. Working capital management
- e. Sources of funds
- f. Taxation policies
- g. Inventory management

Thus understanding the problems and challenges are fundamental solutions to expand and strategize SME's for future progress and effective financial performance.

FINANCIAL PERFORMANCE ANALYSIS -In the study financial factors are analysed to comprehend the financial performance of Small medium enterprises.

Financial performance analysis is the process of identifying the financial strengths and weaknesses of the firm by properly establishing the relationship between the items of balance sheet and profit and loss account. It also helps in short-term and long-term forecasting and growth can be identified with the help of financial performance analysis. The relationship between the items in the balance sheet and profit and loss account are analyzed for determining the financial strength and weakness of the firm. It is the process of scanning of the financial statements to judge profitability, solvency, stability, growth and prosperity of a firm. the present study deals with the financial appraisal of the SMEs, which evaluates past, current and projected performance and, thus, is intended to give an accurate picture of the financial condition of the SMEs in Maharashtra. Hence, the statement of problem chosen has been titled as **“An analysis of financial factors affecting the performance of selected small and medium enterprises in Maharashtra state.”**

5 OBJECTIVES OF THE STUDY

- 1 To examine the current position of the small and medium enterprises in Maharashtra.
- 2 To analyze the financial factors faced by SMEs in Maharashtra
- 3 To study the growth of selected SMEs.
- 4 To study the ability of the selected small and medium enterprises through analysing the financial strength and capital structure of selected small and medium enterprises.
- 5 To analyze the efficiency of financial management in SMEs of Maharashtra.

- 6 To analyse the working capital position of the selected small and medium enterprises through ratio analysis.
- 7 To find out the best optimum financial policies in favor of SMEs.

6 RESEARCH DESIGN

The procedure to be adopted for the study as under:-

6.1 METHODOLOGY

This is a micro study of the financial performance of the Micro, small and medium enterprises in Maharashtra. It attempts to evaluate the financial stability and operational health of the textile mills. The research study also attempts to analyse and interpret the financial performance and operations by employing ratio analysis techniques. The data from published sources i.e annual reports is the base for ratio analysis. For the purpose of data analysis, simple mathematical and statistical techniques such as, percentages, ratios, mean, standard deviation etc. were used. Correlation and regression analysis were applied to examine data and draw conclusions about the financial relationships among existing variables. Correlation analysis is used to measure the degree of association between two financial variables. Application-specific computer software has been used for graphical presentation of data wherever found appropriate. For the purpose of evaluating the performance of SMEs under study, Annual Financial Reports of the units were of great importance, which give host of economic information.

6.2SELECTION OF SAMPLE:-

The main objective of conducting study was to obtain the in depth details of financial factors affecting the performance of SMEs in Maharashtra. The research targeted SMEs enterprises in Maharashtra and the unit of analysis are from various sectors i.e manufacturing businesses, training, healthcare, consultants, hospitals, hotels, jeweler, trading and finance, Information and Communication Technology sector.

The technique used for the selection of sample was descriptive sampling .The main reason of selecting these units was its feasibility in terms of time and cost and as it is concern with financial aspects of the company as the biggest constrain is to gather the financial declarations from companies. This study is chiefly based on the annual audited balance sheets, profit and loss account, cash flow statements, official records of the SMEs and annual reports and other records published by the company, the time frame of the study is five years i.e. from 2010-2011 to 2014-2015. Twenty Small and medium enterprises are selected for present study. The study attempts to cover a period of five years from 2010-2011 to 2014-2015.The reason behind the selection of this period span is recent years till the starting of research work and appropriate for study. Sample is taken from small and medium size companies situated in the region of Maharashtra state.

The selected industrial companies for the purpose of the present study are given as follows:-

- 1) Bajaj Healthcare Ltd
- 2) Filtra consultants & engineers ltd
- 3) DRA Consultants Pvt Ltd

- 4) Ganga pharmaceuticals ltd
- 5) Karnavati finance limited
- 6) Mahabir metallex limited
- 7) SPSS finquest pvt ltd
- 8) Valiant organic ltd
- 9) Agrimony commodities limited
- 10) Suyog Telematics ltd
- 11) Comfort Commotrade ltd
- 12) Jupiter info media ltd
- 13) Vidli Restaurants ltd
- 14) Cawasji behramji catering services limited
- 15) Diggi multitrade limited
- 16) Global space technologies ltd
- 17) Mitcon consultancy & engineering services limited
- 18) Creative Peripherals and Distribution Limited
- 19) Ashapura intimates ltd
- 20) Patdiam Jewellery ltd

1) BAJAJ HEALTHCARE LIMITED

Company was incorporated as Bajaj Healthcare Private Limited on July 15, 1993 under the Companies Act, 1956, with the Registrar of Companies, Mumbai . Bajaj Healthcare Limited is a pharmaceutical company with manufacturing and marketing capabilities in Active Pharmaceutical Ingredients (APIs), Intermediates and Finished Dosage Formulations (FDFs) with focus on Vitamins, Amino Acids, Anti-Convulsants and Finished Dosage Forms (FDFs) catering to various therapeutic segments.

Company's present product portfolio consists of various APIs in the therapeutic categories of Neutraceutical (Amino Acids), Vitamins, Anti-Convulsants, and Bactericidal & Bacteriostatic, Diuretic & Vasodilator, and Mineral & Nutritional supplements, Bronchodilator / Anti-asthmatic and Nootropics.

Financial Summary of Bajaj healthcare limited

Rs in thousands								
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	11,98,605.00	14,15,005.00	17,07,786.00	20,49,067.00	21,83,017.00	414505.9977	17,10,696	82
Total Expenditure	11,52,289.00	14,05,565.00	17,24,345.00	20,17,170.00	20,63,595.00	392528.4536	16,72,593	79
Profit After Tax	42,106.00	6,502.00	-10558.00	19,714.00	75,148.00	33276.89272	26,582	78
Total Current assets	5,35,294.00	6,25,938.00	7,15,025.00	8,64,854.00	7,92,896.00	130780.5508	7,06,801	48
working capital	-79,803	-1,08,208	-1,28,325	-128319	-52495	32919.07496	-99,430	-34
Inventory	1,97,593.00	1,78,306.00	1,62,516.00	2,32,034.00	1,80,811.00	26461.06053	1,90,252	-8

Ratio	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Return on Equity(PAT/net worth)	14.78	2.23	-3.76	6.56	20.00
Return on capital employed (PAT/cap employed)	4.07	0.54	-0.81	1.36	5.15
Return on net Asset (EBIT/NA)	9.73	4.72	3.66	7.21	13.65
Financial leverage (PAT/EBIT)	41.81	11.33	-22.02	18.80	37.75
Profit margin(EBIT/Revenue from operations)	8.40	4.05	2.81	5.12	9.12
Asset turnover (sales/Net Asset)	115.79	116.48	130.37	140.91	149.68

source-Annual reports of selected MSMEs

Bajaj healthcare limited is Pharmaceutical sector company, revenue from operation of company has increased by 82%in the year 2014-15.profit after tax of the company is inconsistent .Average current assets of company is Rs. 6,06,801.Working capital shows the short term solvency which is negative from the year 2010-2011,hence average working capital is negative.

Return on equity is positive .return on capital employed is increasing. Financial leverage of the company is also high. Financial performance of the company is increasing.

2) FILTRA CONSULTANT AND ENGINEERING LTD

Company headquartered in Mumbai was incorporated in the year 2011 and is a player in water treatment industry focusing on providing strategic and technical support to OEMs for Water Treatment Plants, RO plants and user of these plants. Company had initially commenced its business in Mumbai and later on it expanded its cliental base by setting up branches in Pune,

Ahmedabad and Nagpur. Company also exports products and provide strategic and technical support to our clients in Malaysia, Dubai and Africa.

Company acts as authorized distributors of manufacturers of components used in water Treatment Industry. Major distribution arrangements are cited below:

Authorized distributor of HM DIGITAL Inc., Korea for providing hand held type Water Testing Instruments.

Financial summary of Filtra consultant and engineering ltd

Rs in thousands								
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	88,487.00	2,70,569.00	2,45,346.00	2,75,524.10	3,75,834.55	103694.7	2,51,152.13	324.7
Total Expenditure	76,518.00	2,53,066.00	2,27,879.00	2,66,699.68	3,58,854.21	102256.4	2,36,603.38	369.0
Profit After Tax	8,101.00	11,788.00	11,802.00	5,935.59	13,531.19	3113.317	10,231.56	67.0
Total Current assets	1,73,106.00	5,35,423.00	4,85,027.00	5,48,159.37	7,48,219.95	207515.6	4,97,987.06	332.2
working capital	1,32,003.00	4,84,258.00	4,56,754.00	4,94,140.07	6,60,968.96	192809.4	4,45,624.81	400.7
Inventory	11,719.00	16,552.00	17,163.00	35,364.36	42,420.39	13411.07	24,643.75	262.0

Ratio	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Return on Equity(PAT/net worth)	61.83	49.68	33.22	14.24	16.79
Return on capital employed (PAT/cap employed)	14.93	15.69	18.36	5.96	7.93
Return on net Asset (EBIT/NA)	0.22	0.24	0.28	0.09	0.14
Financial leverage (PAT/EBIT)	67.56	64.87	66.57	62.90	66.84
Profit margin(EBIT/Revenue from operations)	13.55	6.72	7.23	3.42	5.39
Asset turnover (sales/Net Asset)	163.06	360.05	381.69	276.53	257.60

source-Annual reports of selected MSMEs

Revenue from operation of company has increased by approximately 324% which reflects growing trend from 2010-2011 to 2014-15. The average revenue from operation is Rs.2,51,152.

Profit after tax is also increasing showing increasing trend.

Return on equity reflects a downturn from 61.83% to 16.79%. Return on capital employed is 7.93% in the year 2014-15.

3) DRA Consultants Private Limited

Company was incorporated as “DRA Consultants Private Limited” at Nagpur, Maharashtra as a private limited company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated May 05, 2009 by Registrar of Companies, Maharashtra, Mumbai.

Financial summary of DRA Consultants Private Limited

Rs in thousands								
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	78,860.00	1,21,105.00	99,396.00	99,384.00	1,63,108.00	32056.69	1,12,370.60	106.83
Total Expenditure	62,540.00	95,701.00	79,361.00	82,429.00	1,33,829.00	26809.81	90,772.00	113.99
Profit After Tax	11,120.00	17,128.00	13,540.00	12,217.00	21,047.00	4062.793	15,010.40	89.27
Total Current assets	1,52,520.00	2,33,934.00	1,92,297.00	1,94,030.00	3,17,984.00	62796.12	2,18,153.00	108.49
working capital	20,221.00	40,173.00	50,653.00	55,221.00	35,971.00	13707.97	40,447.80	77.89

Ratio	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Return on Equity(PAT/net worth)	32.84	33.59	20.98	16.06	21.67
Return on capital employed (PAT/cap employed)	24.46	16.42	13.05	11.09	15.68
Return on net Asset (EBIT/NA)	33.40	24.38	19.71	17.78	25.84
Financial leverage (PAT/EBIT)	66.32	66.35	65.84	62.36	60.67
Profit margin(EBIT/Revenue from operations)	21.26	21.32	20.69	19.71	21.27
Asset turnover (sales/Net Asset)	157.11	114.37	95.26	90.20	121.50

source-Annual reports of selected MSMEs

4 GANGA PHARMACEUTICALS LIMITED

Company was originally incorporated on 11th September, 1989, as “Ganga Pharmaceuticals Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. The Company had created an exceptional market reputation not only in Mumbai but all over Maharashtra. Initially, the company was manufacturing the following proprietary products:

- 1) Ampachan Vati;
- 2) Khadira Vati;
- 3) Nirmalaya churna

As on date the company, it has 230(mention the total number of products in all the categories) number of products in its total portfolio. These products can be divided into two (2) broad categories:

- I. Liquid Dosage Form
 - Oil-based products
- II. Solid Dosage Form
 - A. Powder-based products;
 - B. Tablets; and
 - C. Pills

Financial summary Ganga pharmaceuticals limited

Rs in thousands								
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	18,600.57	19,454.03	23,099.74	26,621.11	26,947.49	3892.896	22,944.59	44.8745
Total Expenditure	18,579.98	19,396.60	23,203.22	27,649.31	28,181.12	4478.121	23,402.05	51.67466
Profit After Tax	27.41	187.73	261.57	299.49	335.02	121.8454	222.24	1122.437
Total Current assets	37,207.96	39,038.35	46,564.53	54,569.90	55,463.63	8477.451	46,568.87	49.06389
working capital	19027.08	33458.98	40890.20	44104.85	43256.78	10448.58	36,147.58	127.3432

Ratio	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Return on Equity(PAT/net worth)	0.13	0.87	1.02	1.15	1.36
Return on capital employed (PAT\cap employed)	0.29	0.69	0.79	0.84	0.91
Return on net Asset (EBIT/NA)	0.29	0.69	0.79	0.84	0.91
Financial leverage (PAT/EBIT)	21.16	61.94	68.88	69.10	68.42
Profit margin(EBIT/Revenue from operations)	0.70	1.56	1.64	1.63	1.82
Asset turnover (sales/Net Asset)	0.42	0.44	0.48	0.52	0.50

source-Annual reports of selected MSMEs

5) KARNAVATI FINANCE LIMITED

Company was incorporated as Karnavati Finance and leasing limited at Mumbai on December 05, 1984 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra. The Company is a NBFC registered with RBI to carry on NBFC Activities under Section 45IA of the Reserve Bank of India Act, 1934 bearing Certificate no. 13.00064 dated February 24, 1998.

Financial summary of Karnavati finance limited-

Rs in thousands								
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	1,320.00	2,419.00	1,504.00	3,742.79	4,758.35	1476.9963	2,748.83	260.4811
Total Expenditure	1,382.00	2,386.00	9,329.00	2,830.12	8,238.29	3664.6539	4,833.08	496.1136
Profit After Tax	8.00	17.00	-7,887.00	447.32	-3,752.06	3589.7059	-2,233.35	-47000.75
Total Current assets	2,710.00	4,822.00	2,946.00	7,020.23	9,244.58	2783.2091	5,348.56	241.1284
working capital	2,429.00	3,045.00	1,558.00	4,639.15	6,342.81	1900.7782	3,602.79	161.1284

Ratio	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Return on Equity(PAT/net worth)	0.04	0.04	-25.81	1.44	-5.13
Return on capital employed (PAT\cap employed)	0.04	0.04	-24.30	1.32	-4.77
Return on net Asset (EBIT/NA)	0.28	0.09	-24.04	2.70	-4.42
Financial leverage (PAT/EBIT)	13.33	44.74	100.79	49.01	107.82
Profit margin(EBIT/Revenue from operations)	4.55	1.57	-520.28	24.38	-73.13
Asset turnover (sales/Net Asset)	6.20	5.93	4.62	11.08	6.05

source-Annual reports of selected MSMEs

6) MAHABIR METALLEX LIMITED

Company was incorporated as “Apollo Fittings Private Limited” under the provisions of the Companies Act, 1956 vide certificate of incorporation dated January 10, 2003 bearing registration no. 119413, in Nagpur.

Product Portfolio:

The detailed product portfolio is:

TMT Bars,Rolled Products,Billets,Colour Coated Sheets,Steel Strips/ Cold Rolled Strips Round Angle Channels & Bars,Ingots,Steel Pipes and Tubes.

Financial summary of Mahabir metallex limited

Rs in thousands								
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	0.00	0.00	0.00	300.00	95,036.17	42468.12	19,067.23	100
Total Expenditure	30.00	27.00	21.00	139.00	95,702.57	42775.26	19,183.91	318908.6
Profit After Tax	-30.00	-27.00	-21.00	110.00	668.60	301.259	140.12	-2328.667
Total Current assets	0.00	0.00	0.00	549.00	1,91,407.34	85538.91	38,391.27	100
working capital	-104.00	-115.00	-126.00	-444.00	1,60,401.22	71821.96	31,922.44	-154331.9
Ratio	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015			
Return on Equity(PAT/net worth)		-0.07	-0.06	-0.05	0.16			0.55
Return on capital employed (PAT\cap employed)		-0.07	-0.06	-0.05	0.15			0.43
Return on net Asset (EBIT/NA)		-0.07	-0.06	-0.05	0.22			0.61
Financial leverage (PAT/EBIT)		100.00	100.00	100.00	68.32			71.37
Profit margin(EBIT/Revenue from operations)		NA	NA	NA	53.67			0.99
Asset turnover (sales/Net Asset)		0.00	0.00	0.00	0.41			61.66

source-Annual reports of selected MSMEs

- 7) SPS Finquest Limited- Company was originally incorporated in Mumbai as “Ceenik Holding Pvt. Ltd.”on March 12, 1996 under the provisions of the Companies Act, 1956. Company was further changed to SPS Finquest Pvt. Ltd.

Product-Company operates as a Non Deposit taking Non-Banking Finance Company (NBFC-ND) engaged primarily in the business of advancing loans for investing/trading in securities.

Financial summary of SPS Finquest Limited

Rs in thousands								
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	19,650.38	76,990.83	84,838.83	75,761.50	47,875.34	27036.75	61,023.38	47775.34
Total Expenditure	19,098.61	59,906.07	74,353.32	65,836.48	45,286.07	21663.27	52,896.11	45186.07
Profit After Tax	2,234.10	10,665.27	3,605.34	6,936.84	-797.55	4414.276	4,528.80	-897.55
Total Current assets	43,796.70	1,63,404.23	1,67,182.82	1,58,646.36	99,089.07	53948.05	1,26,423.84	98989.07
working capital	24,684.28	1,16,960.50	1,61,240.95	1,54,326.60	69,935.44	57918.47	1,05,427.55	69835.44

Ratio					
Return on Equity(PAT/net worth)	28.51	57.65	16.31	23.90	-0.29
Return on capital employed (PAT\cap employed)	0.51	1.93	0.59	1.35	-0.26
Return on net Asset (EBIT/NA)	0.65	2.87	0.71	1.97	2.18
Financial leverage (PAT/EBIT)	79.40	67.32	82.21	68.60	-11.86
Profit margin(EBIT/Revenue from operations)	14.32	20.58	5.17	13.35	14.05
Asset turnover (sales/Net Asset)	4.51	13.96	13.77	14.77	15.53

source-Annual reports of selected MSMEs

8) VALIANT ORGANICS LIMITED

Company was incorporated as Valiant Organics Private Limited on February 16, 2005 under the Companies Act, 1956 and having its Registered Office in Mumbai, Maharashtra.

Valiant Organics Ltd. is a chemical manufacturing company with focus on manufacturing and marketing of different types of chlorophenol which is a chemical which has several applications mainly into agro-chemical industry, pharmaceutical industry, dyes industry, manufacturing of cosmetics and veterinary drugs.

Financial summary of Valiant organics limited

Rs in thousands								
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	3,26,767.00	3,39,945.00	4,25,098.00	5,90,379.00	5,20,994.00	114265.7	4,40,636.60	59.4
Total Expenditure	2,72,475.00	2,91,649.00	3,57,117.00	4,93,034.00	3,77,240.00	87065.58	3,58,303.00	38.4
Profit After Tax	39,178.00	40,258.00	55,413.00	72,729.00	1,03,064.00	26637.51	62,128.40	163.1
Total Current assets	6,38,420.00	6,71,852.00	8,37,628.00	11,56,142.00	10,01,298.00	219463.8	8,61,068.00	56.8
working capital	5,89,415.00	5,96,162.00	7,27,913.00	10,68,837.00	9,53,667.00	215731.3	7,87,198.80	61.8

Ratio					
Return on Equity(PAT/net worth)	25.36	27.04	29.73	33.98	45.30
Return on capital employed (PAT\cap employed)	14.91	10.24	14.80	18.34	25.28
Return on net Asset (EBIT/NA)	23.95	23.29	23.47	29.13	39.82
Financial leverage (PAT/EBIT)	62.24	62.59	63.07	62.95	63.47
Profit margin(EBIT/Revenue from operations)	19.26	18.92	20.67	19.57	31.17
Asset turnover (sales/Net Asset)	124.35	123.09	113.58	148.86	127.77

source-Annual reports of selected MSMEs

9) AGRIMONY COMMODITIES LIMITED

The company is currently engaged in the business of trading of iron & steel products, suitings & shirtings and other dress materials and agriculture products. The company is a multi-product trading company with a diverse product portfolio. The company currently trade into following category of products:

Iron & Steel Products & Textile Products

Company is also offering the commodity broking services through their subsidiary company Advantage Commodities Private Limited (ACPL). ACPL is engaged in the business of commodities broking through its membership of MCX.

Financial summary of Agrimony commodities limited

Rs in thousands								
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	1,709.00	0.00	231.00	4,17,498.75	4,20,083.15	229029.8	1,67,904.38	24480.6409
Total Expenditure	411.00	795.00	848.00	4,17,304.00	4,24,803.24	230260.9	1,68,832.25	103258.453
Profit After Tax	119.00	65.00	197.00	645.95	745.83	317.0788	354.56	526.747059
Total Current assets	2,239.00	860.00	1,276.00	8,35,448.70	8,45,632.22	459598.6	3,37,091.18	37668.2994
working capital	2,174.00	746.00	1,098.00	6,46,200.09	5,12,696.68	320142.5	2,32,582.95	23483.1037

Ratio	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Return on Equity(PAT/net worth)	0.69	0.38	1.13	0.49	0.57
Return on capital employed (PAT/cap employed)	0.69	0.37	1.12	0.20	0.16
Return on net Asset (EBIT/NA)	0.98	0.55	1.93	0.33	0.23
Financial leverage (PAT/EBIT)	70.00	67.71	57.94	60.29	68.61
Profit margin(EBIT/Revenue from operations)	9.95	NA	147.19	0.26	0.26
Asset turnover (sales/Net Asset)	9.90	0.00	1.31	130.31	90.40

source-Annual reports of selected MSMEs

10) SUYOG TELEMATICS LIMITED

Suyog Telematics Limited is an India-based telecommunication infrastructure provider. The Company provides telecommunication products and services and is engaged in the other

machinery and equipment renting business. The Company is engaged primarily in the business of installing and commissioning of poles, towers and optical fiber cable (OFC) systems in India.

The Company's services include fiber optic network solution, tower erection service, pole erection service and trading service.

Financial summary of Suyog telematics limited

Rs in thousands								
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	55,000.00	89,500.00	88,879.03	1,17,156.92	2,17,121.06	61957.92	1,13,531.40	294.8
Total Expenditure	46,500.00	79,300.00	74,554.64	1,01,573.76	1,63,303.82	43892.76	93,046.44	251.2
Profit After Tax	6,400.00	7,200.00	14,324.39	15,583.16	53,817.24	19638.58	19,464.96	740.9
Total Current assets	1,07,900.00	1,76,000.00	1,77,758.06	2,34,313.84	4,34,242.12	124708.4	2,26,042.80	302.4
working capital	31,800.00	1,22,500.00	39,954.08	1,12,946.95	3,16,489.48	114824.3	1,24,738.10	895.2

Ratio	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Return on Equity(PAT/net worth)	18.44	17.18	25.18	14.68	23.42
Return on capital employed (PAT/cap employed)	5.78	7.21	7.36	5.86	12.50
Return on net Asset (EBIT/NA)	9.22	11.70	14.91	11.16	16.45
Financial leverage (PAT/EBIT)	62.75	61.54	49.39	52.51	76.02
Profit margin(EBIT/Revenue from operations)	18.55	13.07	32.63	25.33	32.61
Asset turnover (sales/Net Asset)	49.73	89.50	45.68	44.05	50.44

source-Annual reports of selected MSMEs

11 COMFORT COMMOTRADE PRIVATE LIMITED

Company was originally incorporated in Mumbai as "Comfort Commotrade Private Limited" on 5th November, 2007 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Maharashtra, Mumbai.

Company, currently engaged in the business of commodity broking. It offers trading in many commodities such as bullion (gold, silver), energy (crude oil, natural gas), metals, food grains (rice, maize), spices, oil and oil seeds and others.

Financial summary of Comfort commotrade private limited

	Rs in thousands							
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	2,200.00	5,501.00	4,451.00	2,281.00	2,268.00	1539.03	3,340.20	3.09
Total Expenditure	1,700.00	3,445.00	7,186.00	4,422.00	6,172.00	2175.61	4,585.00	263.06
EBIT	600.00	3,048.00	2,225.93	6,286.89	10,800.61	4041.59	4,592.28	1700.10
Profit After Tax	400.00	2,026.00	1,108.00	4,706.00	8,173.00	3184.31	3,282.60	1943.25
Total Current assets	4,900.00	14,020.00	14,970.93	17,695.89	27,413.61	8079.85	15,800.08	459.46
working capital	2,000.00	6,535.00	8,347.93	10,562.89	15,764.61	5076.01	8,642.08	688.23

Ratio	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Return on Equity(PAT/net worth)	4.82	4.55	1.05	4.36	7.19
Return on capital employed (PAT\cap employed)	3.57	3.89	0.99	4.08	6.51
Return on net Asset (EBIT/NA)	5.41	5.86	1.98	5.45	8.60
Financial leverage (PAT/EBIT)	66.67	66.47	49.78	74.85	75.67
Profit margin(EBIT/Revenue from operations)	27.27	55.41	50.01	275.62	476.22
Asset turnover (sales/Net Asset)	19.82	10.57	3.96	1.98	1.81

source-Annual reports of selected MSMEs

7) JUPITER INFOMEDIA LIMITED

This is growth oriented web Infomedia Company with online publications on Business, Encyclopedia and Yellowpages. Company develops various informative online publications / verticals in house. The company aims to develop an online information library that would provide in-depth information to its visitors on various topics. At present, we have three online publications where a substantial progress has been done. These include an online business directory (B2B Portal operating through the website - www.JimTrade.com), an Encyclopedia on India (operating through the website - www.IndiaNetzone.com) and an online yellow pages.

Financial summary

	Rs in thousands							
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	7,855.00	6,394.00	6,110.00	5,471.00	4,050.00	1386.346	5,976.00	-48.44048
Total Expenditure	7,245.00	6,153.00	7,317.00	6,293.00	5,655.00	723.6165	6,532.60	-21.94617
Profit After Tax	495.00	201.00	922.00	617.00	1,264.00	407.828	699.80	155.3535
Total Current assets	15,595.00	12,748.00	14,349.00	12,381.00	10,969.00	1796.406	13,208.40	-29.66335
working capital	1,864.00	2,154.00	1,331.00	5,870.00	3,850.00	1854.065	3,013.80	106.5451

Ratio	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Return on Equity(PAT/net worth)	8.32	0.90	1.47	0.91	1.14
Return on capital employed (PAT\cap employed)	8.30	0.90	1.47	0.91	1.14
Return on net Asset (EBIT/NA)	12.63	1.33	1.45	1.16	1.60
Financial leverage (PAT/EBIT)	65.82	67.91	101.10	78.50	70.89
Profit margin(EBIT/Revenue from operations)	9.57	4.63	14.93	14.37	44.02
Asset turnover (sales/Net Asset)	131.97	28.67	9.73	8.10	3.64

Source-Annual reports of selected MSMEs

8) VIDLI RESTAURANTS LIMITED

Incorporated in 2007, our company Vidli restaurants Limited is engaged in the hospitality business and runs chain of restaurants either through own operated outlets or through franchisee operated outlets.

	Rs in thousands							
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	0.00	0.00	0.00	4,640.00	24,456.00	10610.26	5,819.20	100
Total Expenditure	15.00	5.00	4.00	4,139.00	24,647.00	10707.51	5,762.00	164213.3
Profit After Tax	-12.00	-6.00	-5.00	442.00	689.00	325.867	221.60	-5841.667
Total Current assets	3.00	-1.00	-1.00	9,221.00	49,792.00	21608.68	11,802.80	1659633
working capital	-4.00	-8.00	-8.00	5,374.00	44,377.00	19387.91	9,946.20	-1109525

	(In percentage)				
Ratio	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Return on Equity(PAT/net worth)	-22.22	-12.50	-11.36	94.44	2.23
Return on capital employed (PAT\cap employed)	-10.81	-5.71	-5.43	3.37	1.23
Return on net Asset (EBIT/NA)	-13.51	-4.76	-4.40	5.35	2.27
Financial leverage (PAT/EBIT)	80.00	120.00	125.00	62.96	54.04
Profit margin(EBIT/Revenue from operations)	NA	NA	NA	15.13	5.21
Asset turnover (sales/Net Asset)	0.00	0.00	0.00	35.35	43.57

Source-Annual reports of selected MSMEs

9) CAWASJI BEHRAMJI CATERING SERVICES

Company was incorporated on April 03, 2009 by Promoters Mr. Alfred Micheal Arambhan and Mrs.

Nalini Maria Arambhan with the objective to establish a well-known name in catering & housekeeping services. They are an ISO 9001-2008+ HACCP and ISO 22000:2005 certified Company currently engaged in the business of providing food catering & housekeeping services, both in India and abroad. In context of their services offering in abroad / overseas clients, they provide catering & housekeeping services on

vessels travelling to high seas. Besides this, the Company has also forayed into restaurant business wherein we provide multi-cuisine food to consumer through our restaurant.

Financial Summary

Rs in thousands								
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	92.69	112.85	46.51	5,978.91	19,290.11	8330.878	5,104.21	20712.54
Total Expenditure	103.39	116.94	101.08	5,781.09	20,187.33	8699.9	5,257.97	19426.37
Profit After Tax	-7.39	-5.63	8.45	172.51	65.49	76.33511	46.68	-986.171
Total Current assets	188.68	224.16	156.04	11,932.51	39,542.93	17061.77	10,408.86	20857.67
working capital	108.21	223.06	-4,214.51	879.94	31,144.76	14406.65	5,628.29	28681.78

Ratio						(In percentage)	
Return on Equity(PAT/net worth)		-7.98	-6.47	8.85	25.83	0.09	
Return on capital employed (PAT/cap employed)		-4.27	-6.39	0.19	1.47	0.08	
Return on net Asset (EBIT/NA)		-6.18	-4.64	0.49	2.11	0.96	
Financial leverage (PAT/EBIT)		69.07	137.81	38.71	69.61	8.59	
Profit margin(EBIT/Revenue from operations)		-11.54	-3.62	46.92	4.14	3.95	
Asset turnover (sales/Net Asset)		53.55	128.12	1.04	51.01	24.29	

Source-Annual reports of selected MSMEs

10) DIGGI SECURITIES PRIVATE LIMITED

Company was incorporated as —Diggi Securities Private Limited under the provisions of the Companies Act, 1956 on December 1, 2010, issued by Registrar of Companies, Maharashtra.

Company's business activities may be classified as follows:

1. Trading in real estate by way of acquiring interests in various real estate projects such as flats, land and dealing in construction material

2. Trading in fabrics.

Financial summary

Rs in thousands								
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	3,74,922.58	4,21,567.34	6,23,957.13	7,26,840.68	6,30,719.38	150206.6	5,55,601.42	68.23
Total Expenditure	3,55,286.21	3,84,715.04	5,86,995.59	6,91,163.95	6,24,853.00	149868.5	5,28,602.76	75.87
Profit After Tax	11,109.56	21,156.02	26473.73	22,156.97	8,221.14	7778.069	17,823.48	-26.00
Total Current assets	7,41,318.35	8,27,438.40	12,37,426.45	14,40,161.60	12,63,793.52	301805.4	11,02,027.66	70.48
working capital	6,22,247.58	6,63,820.04	9,90,666.06	11,03,998.23	8,73,091.24	206982.2	8,50,764.63	40.31

	(In percentage)				
Ratio	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Return on Equity(PAT/net worth)	35.80	40.54	33.91	22.43	7.79
Return on capital employed (PAT/cap employed)	7.22	9.75	8.06	5.03	1.61
Return on net Asset (EBIT/NA)	13.87	18.31	14.26	12.61	7.53
Financial leverage (PAT/EBIT)	52.07	53.28	56.52	39.86	21.42
Profit margin(EBIT/Revenue from operations)	5.69	9.42	7.51	7.65	6.09
Asset turnover (sales/Net Asset)	243.77	194.33	189.94	164.87	123.68

Source-Annual reports of selected MSMEs

11) Global space technologies ltd

The company was incorporated as a private limited company under the Companies Act, 1956 in the name of Global Space Tech Private Limited at Mumbai vide Certificate of Incorporation dated December 22, 2010 bearing Corporate Identification Number (CIN) U64201MH2010PTC211219. Company is an Information and Communication Technology (ICT) company providing integrated software product platforms and solutions to enable large and medium enterprises embrace mobility & digital technology for their business enhancement. Company provides domain specific mobility & digital technology products by leveraging contemporary web, mobile technology, big data, analytics & custom hardware to deliver customizable and configurable solutions to different industry verticals. Company launched its flagship product for pharmaceutical industry in the year 2011.

Financial summary

	Rs in thousands							
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	8,178.00	40,656.00	61,566.00	1,07,977.00	1,39,822.00	52578.71	71,639.80	1609.733
Total Expenditure	5,491.00	36,107.00	56,345.00	99,242.00	1,28,133.00	49013.53	65,063.60	2233.509
Profit After Tax	2,189.00	2,999.00	4,973.00	8,483.00	6,243.00	2528.845	4,977.40	185.1987
Total Current assets	34,210.00	49,815.00	55,815.00	72,394.00	1,45,231.00	43427.7	71,493.00	324.5279
working capital	21,652.00	15,373.00	13,528.00	13,862.00	54,963.00	17684.81	23,875.60	153.8472

Ratio	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Return on Equity(PAT/net worth)	931.5	49.8	13.2	18.4	8.9
Return on capital employed (PAT\cap employed)	6.0	4.8	6.1	8.0	3.8
Return on net Asset (EBIT/NA)	7.8	7.9	8.8	11.7	10.0
Financial leverage (PAT/EBIT)	76.1	60.6	69.3	67.9	37.9
Profit margin(EBIT/Revenue from operations)	35.2	12.2	11.7	11.6	11.8
Asset turnover (sales/Net Asset)	22.2	65.0	75.5	101.5	85.2

Source-Annual reports of selected MSMEs

12) Mitcon consultancy & engineering services limited

Company was originally incorporated as Maharashtra Industrial and Technical Consultancy Organisation Limited pursuant to a Certificate of Incorporation dated April 16, 1982 issued by the Registrar of Companies, Bombay, Maharashtra. Company provide Consultancy and Engineering Services to various sectors through our following business divisions:

- Power Plant Consultancy and Engineering Services: technical, financial, engineering and project management consultancy services from concept to commissioning, to decentralized, stand alone power/ co-generation power projects, based on renewable and fossil fuels.
- Energy and Carbon Services: Services to improve energy efficiency and conservation, consultancy in setting up renewable energy and carbon mitigation projects.
- Environment Management and Engineering Services: Services such as EIA study, environmental clearances, environmental audits and environmental monitoring.
- Infrastructure Consulting Group: Project management services from concept to commissioning stage (except contracting) for industrial, institutional, commercial and residential projects.
- Banking and Finance: Project Reports (DPR) and conduct Appraisal /Techno Economic Viability (TEV) studies, technical/ financial and corporate debt restructuring, loan syndication, lender's

engineer services, assets and business valuation etc. We also provide services of conducting market research, comprising industrial, consumer and social research.

Financial summary

Financial factors	Rs in thousands							
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	5,43,778.37	4,66,657.35	4,04,906.74	4,32,387.65	4,49,738.15	52356.63	4,59,493.65	-17.29
Total Expenditure	4,11,862.50	3,47,385.65	3,25,197.33	3,96,244.27	4,18,106.07	41224.71	3,79,759.16	1.52
Profit After Tax	1,08,806.60	99,178.59	70,890.23	53,547.05	46,097.51	27556.69	75,704.00	-57.63
Total Current assets	10,64,447.47	9,13,221.59	8,00,994.30	8,82,178.97	9,13,941.73	95411.4	9,14,956.81	-14.14
working capital	9,74,801.48	8,41,720.42	7,19,833.08	8,10,065.17	8,33,673.59	91475.89	8,36,018.75	-14.48

Ratio	(In percentage)				
Return on Equity(PAT/net worth)	23.38	17.71	8.53	6.23	5.16
Return on capital employed (PAT\cap employed)	18.53	15.13	7.51	5.61	4.62
Return on net Asset (EBIT/NA)	26.70	21.38	10.66	8.20	6.81
Financial leverage (PAT/EBIT)	69.38	70.74	68.46	68.34	67.87
Profit margin(EBIT/Revenue from operations)	28.84	30.04	25.57	18.12	15.10
Asset turnover (sales/Net Asset)	92.59	71.18	41.67	45.26	45.09

Source-Annual reports of selected MSMEs

13) Creative Peripherals and Distribution Limited

Company was originally incorporated as “Creative Pheripherals and Distributions Private Limited” at Mumbai, Maharashtra, as a private limited company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated September 22, 2004 bearing Corporate Identification Number U52392MH2004PTC148754.

Company is engaged in providing distribution services of both volume business and value business products. Products which fall in the volume business segment are typically fast moving high volume products of leading brands in respective product category such as AOC/Samsung monitors etc. Since the product / brands are well established, the distributors mainly play a connecting role while the primary responsibility for demand generation lies with the vendor.

Financial summary

Rs in thousands								
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	12,40,822.00	12,65,269.00	13,96,795.00	18,44,781.00	19,86,230.00	345425.5	15,46,779.40	60.07373
Total Expenditure	12,33,867.00	12,52,550.00	13,79,479.00	18,35,056.00	19,75,616.00	345984.6	15,35,313.60	60.1158
Profit After Tax	5,334.00	9,036.00	15,852.00	7,649.00	6,699.00	4107.115	8,914.00	25.59055
Total Current assets	2,39,000.00	2,97,881.00	3,57,480.00	3,75,023.00	3,43,709.00	54795.9	3,22,618.60	43.8113
working capital	75,448.00	79,459.00	92,984.00	1,06,493.00	1,17,734.00	17854.48	94,423.60	56.04655

Ratio	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Return on Equity(PAT/net worth)	9.04	13.28	18.93	8.44	6.55
Return on capital employed (PAT\cap employed)	2.08	2.83	4.19	1.93	1.84
Return on net Asset (EBIT/NA)	7.68	9.88	11.11	8.38	12.60
Financial leverage (PAT/EBIT)	27.05	28.68	37.74	23.05	14.62
Profit margin(EBIT/Revenue from operations)	1.59	2.49	3.01	1.80	2.31
Asset turnover (sales/Net Asset)	483.38	396.95	369.41	466.11	545.98

Source-Annual reports of selected MSMEs

14) Ashapura intimates ltd

Company procures non-branded intimate garments i.e. our products from vendors including MAPL.MAPL and other vendors manufacture our products based on designs and specifications provided by Company. Ashapura Intimates Fashion Ltd (AIFL), incorporated in 2006 is a fashion house that designs, brands, markets and retails intimate garments for men, women and children. The company is in the business of designing, branding, marketing and retailing clothing products such as lounge wear, sleep wear, bridal night wear, honeymoon sets bathrobes, women inner wear, sportswear and kids lounge wear since its under the brand name 'Valentine'.

Financial summary

Rs in thousands								
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	5,05,138.00	10,146.74	13,06,238.00	16,56,958.00	17,744.22	752102.4	6,99,244.99	-96.4873
Total Expenditure	4,86,278.00	9,658.88	12,39,583.00	15,90,078.00	16,339.17	719032.7	6,68,387.41	-96.64
Profit After Tax	13,974.00	341.42	47,308.00	54,075.00	867.03	25694.32	23,313.09	-93.7954
Total Current assets	10,05,390.00	20,147.04	25,93,129.00	33,01,111.00	34,950.42	1496700	13,90,945.49	-96.5237
working capital	2,39,758.00	4,30,605.00	12,87,785.00	7,77,424.00	9,73,293.00	418881.3	7,41,773.00	305.9481
Ratio	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015			
Return on Equity(PAT/net worth)	19.13	0.31	26.03	12.61	0.18			
Return on capital employed (PAT\cap employed)	4.17	0.06	2.96	4.11	0.05			
Return on net Asset (EBIT/NA)	17.55	10.91	10.20	12.33	0.10			
Financial leverage (PAT/EBIT)	23.04	0.54	29.01	33.30	54.89			
Profit margin(EBIT/Revenue from operations)	12.01	622.51	12.48	9.80	8.90			
Asset turnover (sales/Net Asset)	146.11	1.75	81.69	125.79	1.13			

Source-Annual reports of selected MSMEs

15) PATDIAM JEWELLERY LIMITED

Company was incorporated in 1999, Patdiam jewellery limited is engaged in the business of designing, manufacturing and marketing of various jewellerys made out of gold, platinum with studded diamond, precious and semi precious stones. They are 100% export oriented unit primarily catering to international markets. They also have a partnership firm M/s Zest Corporation engaged in manufacturing and marketing of studded jeweler products for retail customers. Their products cater to customers across high-end, mid-market and value market segments.

Financial summary

Rs in thousands								
Financial factors	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	STDEV	AVG	%growth
Revenue from operations	4,81,041.00	2,82,837.00	3,14,529.00	3,66,260.00	5,36,497.00	108742	396233	11.5
Total Expenditure	4,61,123.00	2,80,195.00	3,06,479.00	3,54,610.00	5,05,983.00	98043	381678	9.7
Profit After Tax	9,590.00	7,950.00	8,690.00	7,951.00	5,205.00	1639	7877	-45.7
Total Current assets	9,51,754.00	5,70,982.00	6,29,698.00	7,28,821.00	10,47,685.00	206086	785788	10.1
working capital	7,23,136.00	3,78,701.00	3,84,648.00	4,34,928.00	7,99,648.00	201283	544212	10.6
Ratio	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015			
Return on Equity(PAT/net worth)	4.29	3.43	3.62	3.20	2.06			
Return on capital employed (PAT\cap employed)	2.11	1.87	1.78	1.46	1.03			
Return on net Asset (EBIT/NA)	6.66	5.90	5.88	5.51	6.65			
Financial leverage (PAT/EBIT)	31.69	31.63	30.33	26.54	15.53			
Profit margin(EBIT/Revenue from operations)	6.29	8.89	9.11	8.18	6.25			
Asset turnover (sales/Net Asset)	105.90	66.40	64.53	67.32	106.42			

Source-Annual reports of selected MSMEs

6.3 DATA COLLECTION:-

The approach adopted is basically analytical and descriptive in nature. Data is collected from secondary sources i.e. District Industrial Centre of Maharashtra from published sources Books, journals, annual reports of the company, auditor's report and published records of Companies, MSMEs annual reports, RBI Bulletin, SME-Bombay stock exchange ,NSE–Emerge, compliance to corporate governance etc.Thus in depth data collection from their published financial statement, annual reports and electronics media disclosure on internet are extensively used for the present study.

6.4 DATA ANALYSIS:-

The information collected is tabulated, classified and converted into charts, maps, graphs to analyze the data. Appropriate statistical tools are used to derive the calculation. Tools of business mathematics are used to analyze the data.

Data generally collected for making comparison of companies in Maharashtra. Units of analysis and interpretation are those which facilitate comparison. Frequency tables and descriptive statistics are constructed to display results with respect to each research questions. They include rates, trend, ratio and percentage, and co-efficient. Rates are used in those cases where comparison is made between various companies. Ratios and percentages are used where population of the region, employment and growth of industry which would be helpful to interpret the problems of SME. Co-efficient is used for correlation between growth and financial factors affecting the SMEs.

6.5 AREAS OF FINANCIAL PERFORMANCE ANALYSIS

Financial performance analysis is the process of determining the operating and financial characteristics of a firm from accounting and financial statements (Bhunia & Sarker, 2011).

Financial analysts often assess firms

- i. production and productivity performance
- ii. profitability performance
- iii. liquidity performance
- iv. working capital performance,
- v. fixed assets performance,
- vi. fund flow performance

However in the present study financial health of Small and Medium Enterprises is measured from the following perspectives:

1. Working capital Analysis
2. Leverage Analysis
3. Activity Analysis
4. Profitability Analysis

Conceptual Framework

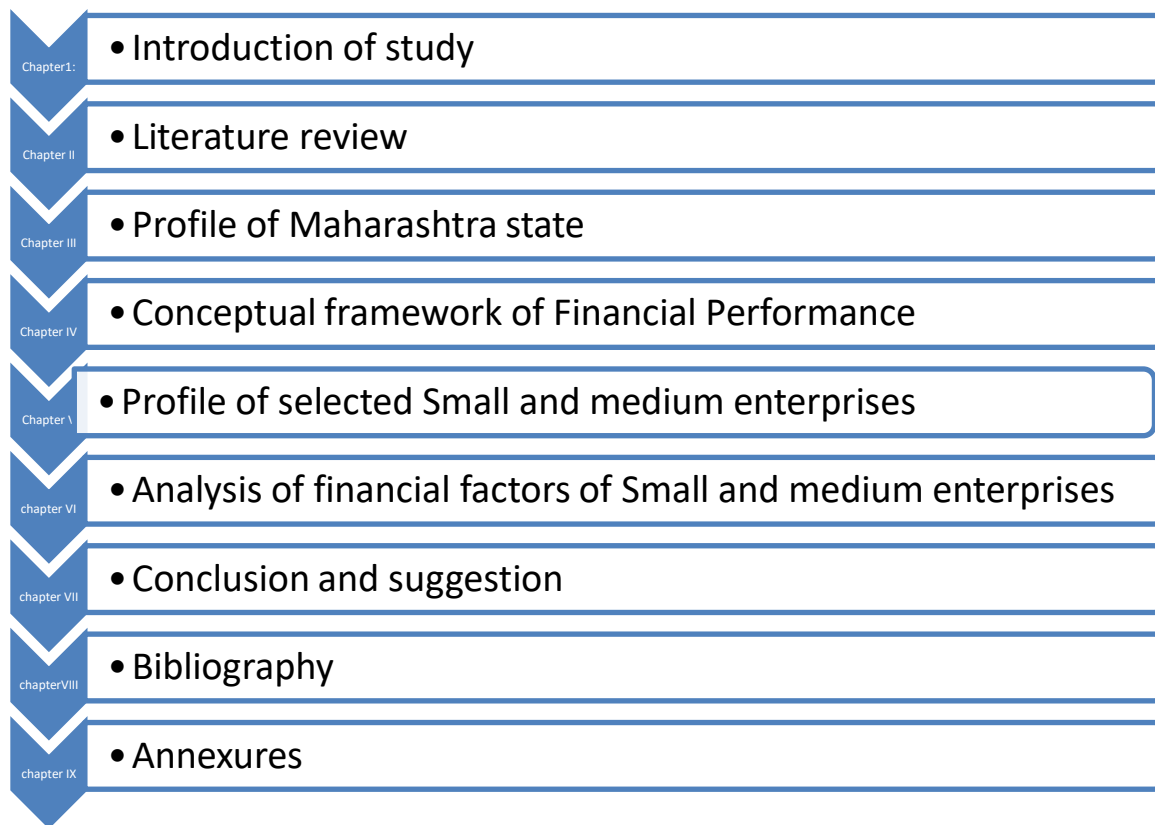
Independent Variable	Dependent Variable
Liquidity	Return on Assets
Leverage Analysis	Return on capital employed
Activity Analysis	
Profitability Analysis	

Independent Variable	Measurement	Dependent Variable	Measurement
Liquidity	Liquidity Ratios	Financial performance	ROA ROE EPS Profit margin

Ownership Structure	Debt/Equity	Financial performance	ROA ROE EPS Profit margin
Company Size	Total Assets	Financial performance	ROA ROE EPS Profit margin
Sales growth	Sales Increment	Financial performance	ROA ROE EPS Profit margin
Leverage	Interest Coverage Ratio Debt-to-Worth Ratio- Total Liabilities / Net Worth	Financial performance	ROA ROE EPS Profit margin

7 ORGANIZATION OF STUDY

The flow of chapters of study



Organization of Study

The study has been divided in six chapters

Chapter I:

Introduction- First Chapter deals with a brief introduction of the MSMEs and its economic significance in the Indian context. This chapter also includes a brief explanation about the objectives of the study, review of existing literature on the subject, methodology, need for the study followed by scope and limitations of the study.

Chapter II: Literature Review

Discuss the past studies in the field of performance of Small and medium enterprises. A literature review is designed to identify related research, to set the current research within a conceptual and theoretical context. It contains in-depth study of prior research on the subject.

Chapter III:

Profile of Maharashtra state -This chapter deals profile of Maharashtra viz demography, large Industries and small and medium enterprises of Maharashtra.

Chapter IV:

This chapter emphasis on explanation of the financial performance, which includes three broad concepts, viz.

- (1) Financial strength and capital structure - covering capital structure, theory of capital structure, its determinants, leverages and cost of capital;
- (2) Working capital management - this includes working capital policy, profit criterion of working capital, operating cycle analysis, cash management, receivables management, inventory management and determination of working capital finance mix; and
- (3) Financial appraisal tools - this covers financial statements analysis and Du-pont analysis
- (4) Financial strength model i.e Springate model which analyses the financial creditability of company

Chapter V:

Profile of Selected Small and medium enterprises- This chapter discusses the growth and development of selected Small and medium enterprises other than financial aspect.

Chapter VI:

Analysis of financial factors of Small and medium enterprises -. This chapter deals with the analysis of Financial Performance of Selected SMEs Certain financial tools and statistical tools are used in interpretation of the financial results of selected MSMEs.

Chapter VII:

Conclusion and suggestion

This chapter covers the summary of earlier chapters in the form of conclusion and offers The suggestion in improving the financial performance of state owned enterprises and recommends the areas for further research.

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