



A comparative study on the financial performance analysis of TTK Prestige Ltd and Hawkins Cookers Ltd in India

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Abstract

Financial health is one of the best indicators of any business's potential for long-term growth. Financial analysis is an aspect of the overall business finance function that involves examining historical data to gain information about the current and future financial health of a company. Financial analysis is the process of reviewing and analyzing a company's financial statements to make better economic decisions. These statements include the income statement, balance sheet, statement of cash flows, and a statement of changes in equity. Financial analysis is a method or process involving specific techniques for evaluating risks, performance, financial health, and future prospects of an organization. Financial ratios are very powerful tools to perform some quick analysis of financial statements. There are four main categories of ratios: liquidity ratios, profitability ratios, activity ratios and leverage ratios. These are typically analyzed over time and across competitors in an industry. This paper is to enlighten the financial performance analysis of TTK Prestige Ltd, Bangalore and Hawkins Cookers Limited, Mumbai.

The main purpose of this paper is to study and analyze the financial performance analysis with reference to Kitchen Appliances in India.

This case study was done based on secondary data collected from multiple sources of evidence, in addition to books, journals, websites, and newspapers.

“The financial success of your company will be determined by the scale or significance of the problems you are solving and the opportunities you are creating – Michael Kouly”.

Keywords: financial performance, financial analysis, current ratio, gross profit ratio and dividend

Introduction

Financial analysis is the process of reviewing and analyzing a company's financial statements to make better economic decisions. These statements include the income statement, balance sheet, statement of cash flows, and a statement of changes in equity. Financial analysis is a method or process involving specific techniques for evaluating risks, performance, financial health, and future prospects of an organization. Financial ratios are very powerful tools to perform some quick analysis of financial statements. There are four main categories of ratios: liquidity ratios, profitability ratios, activity ratios and leverage ratios. These are typically analyzed over time and across competitors in an industry.

Ratio analysis is one of the techniques of financial analysis where it is used as a yardstick for evaluating the financial conditions and performance of a firm. Ratio analysis is a powerful tool of financial analysis. It is used as a device to analyze and interpret the financial health of a firm. Analysis of financial statements with the aid of ratios helps the management in decision making and control. Ratio analysis is the widely-used tool for appraisal of efficiency and profitability of the business, financial condition.

Therefore, the ratio analysis is useful from the objects following

- Short term planning and long term planning

- Measurement of financial performance and evaluation of those financial performance
- Study based on the financial trends
- Decision making for operations and investments
- Financial ills must be diagnosed
- Providing the valuable insight into firm's picture or firms financial position

About TTK Prestige Ltd, Bangalore

TTK Prestige Limited was incorporated as a private limited company on 22 October 1955, in Madras as TT Private Limited and it became a public limited company on 15 June 1988.

The company started its manufacturing unit after independence. It started manufacturing in the year 1949 by setting up manufacturing unit near Bangalore. The company is known for its manufacturing and innovations, be it distributing pamphlet from helicopter in the fifties or introducing the exchange scheme.

Over the past five decades TTK Prestige Limited, has emerged as India's largest kitchen appliances company catering to the needs of home makers in the country. Every Prestige brand product is built on the pillars of safety, innovation, durability and trust, making the brand the first choice in millions of homes.

Prestige Smart Kitchen, a division of TTK Prestige Ltd, is an

exclusive retailer for Prestige Products. A Prestige Smart Kitchen outlet is the only store where every Prestige Product is available 365 days a year. Every model and every variation available for you to see and evaluate. A Personalized sales team helps you understand your complete requirement and suggests appropriate products.

About Hawkins Cookers Ltd, Mumbai

The Company Hawkins Cookers Limited has been in business since 1959. Hawkins Cookers Limited is an Indian company, based in Mumbai and manufactures pressure cookers and cookware. The company has three manufacturing plants at Wagle estate Thane, Hoshiarpur and Jaunpur. It manufactures under brand names of Hawkins, Futura, Contura, Hevibase, Big Boy and Ventura. The company is one of the largest pressure cooker manufacturers in India and exports its products to more than 40 countries.

The company is traded on the Bombay Stock Exchange under the symbol HWKN. It has raised funds through "fixed deposits", a term for high-interest term deposits issued by industrial companies rather than banks.

Hawkins has sold over 72 million pressure cookers worldwide. Today, it makes 65 different models of pressure cookers in eight different types. All Hawkins pressure cookers are listed by Underwriters Laboratories Inc., USA, an independent institution testing products for public safety. Hawkins pressure cookers feature an inside-fitting lid, which cannot be opened until the steam pressure inside the cooker falls to a safe level. Hawkins was listed as India's most trusted kitchen appliance brand by The Brand Trust Report 2015.

Today, it has two offices, three factories and about 800 persons working. It is the leader in the pressure cooker market in India and has exported its products since 1974 to various countries in each of the six continents of the world.

Each pressure cooker made by Hawkins features an inside fitting lid. This design is inherently safer than conventional pressure cookers. To open any Hawkins cooker, you have to first lower the lid slightly into the body of the cooker; and that cannot be done until the steam pressure inside the cooker falls to a safe level. Thus Hawkins pressure cookers are pressure-locked for safety - like a jetliner door!

The Hawkins Company is well known for not compromising on quality and for continual product innovation. The most thorough research and development, the most careful selection of materials, the best manufacturing practices and the strictest quality control - all go into making pressure cookers which are trusted by the millions of families using them.

Each cooker is tested to be leak-proof. Along with a superior pressure regulating system, this ensures that Hawkins cooks quickest. Each pressure cooker comes individually packed in an attractive full-colour carton.

Cookbooks/Instruction Manuals come free with each pressure cooker. All Hawkins pressure cookers are guaranteed for five years.

Objective of The Study

- To analyse the financial performance of TTK Prestige Ltd, Bangalore and Hawkins Cookers Limited, Mumbai for the past 5 years (between 1st April 2013 and 31st March 2017).

- To study the effect of different profitability ratios on the performance of the company.
- To do the performance examination, the operational efficiency examination and also to test the solvency position and liquidity of TTK Prestige Ltd, Bangalore and Hawkins Cookers Limited, Mumbai in India.
- To do the profitability analyzation and overall financial performance analyzation of TTK Prestige Ltd, Bangalore and Hawkins Cookers Limited, Mumbai in India.
- And to give suggestions for improving the financial position of TTK Prestige Ltd, Bangalore and Hawkins Cookers Limited, Mumbai in India.

Research Methodology

This research follows the analytical research methodology which is based on the quantitative data. The main source of data used for the study is secondary data derived from the published annual reports of the selected company collected from official website and other links (Five Years financial statements available at www.moneycontrol.com/financials/ttkprestige/balance-sheet and www.moneycontrol.com/financials/hawkinscooker/balance-sheet). The information related with theoretical background has been collected from websites, journals, magazines, newspapers, books and from Government of India publications. Present study covers the profitability performance of selected company for five consecutive financial years. The period of the study starts from 1st April 2013 and ends on 31st March 2017. The rationale behind selecting this period is the availability of data.

Limitations of the Study

- The financial statements and annual report were used; hence the data collected is secondary in nature.
- False Results: In case the data upon which the ratios are computed are incorrect, then the ratios calculated would also be incorrect.
- Limited Comparability: The different accounting policies followed by firms will not make some of the accounting ratios strictly comparable.
- Ratio analysis is only a quantitative method of performance analysis and hence ignores qualitative factors.
- Ratio analysis is only to measure profitability, efficiency and financial soundness but they aren't the solution to real time problem.
- The scope of study analysis is only for 5 years.

Hypothesis of the Study

- There is no significant relationship between the Current assets and the Current liabilities of the selected company.
- There is no significant relationship between the Liquid asset and the Current liabilities of the selected company.
- There is no significant relationship between the Cost of Goods Sold and the Average Inventories of the selected company.
- There is no significant relationship between the Profit before Tax and Net Sales of the selected company.
- There is no significant relationship between the Profit after Tax and Net Sales of the selected company.

Tools and Techniques of Analysis

The collected data have been suitably re-arranged, classified and tabulated as per the requirement of the study and the following techniques have been applied:

- A. Accounting Ratios:** Accounting ratios like Current Ratio, Quick Ratio, Inventory Turnover Ratio, operating profit Ratio, Net profit Ratio and Gross Profit Ratio for five financial years have been calculated. Comparison of current to past performance using ratios enables analyst to assess a firm's progress.
- B. Statistical Tools:** (i) In order to facilitate study Arithmetic Mean, Standard Deviation, and Coefficient of Variation have been calculated. (ii) Karl Pearson's simple

Correlation and 't' test have been used to examine the influence of profitability on performance of the company.

Table 1

Correlation	Positive (Uphill)	Negative (Downhill)
Weak	0.1 to 0.3	-0.1 to -0.3
Moderate	0.3 to 0.5	-0.3 to -0.5
Strong	0.5 to 1.0	-0.5 to -1.0
Perfect	1.0	-1.0
No Relationship	0.0	0.0

"t" Test (Null Hypothesis)	Accepted if Calculated Value < Table Value	Rejected if Calculated Value > Table Value
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Data Analysis & Interpretation

Table 2: Current Ratio

Financial Year	TTK Prestige Ltd			Hawkins Cookers LTD		
	Total Current Assets (in crore)	Total Current Liabilities (in crore)	Current Ratio	Total Current Assets (in crore)	Total Current Liabilities (in crore)	Current Ratio
2013	460.08	371.36	1.24	144.05	100.62	1.43
2014	498.84	256.41	1.95	156.97	125.63	1.25
2015	525.09	215.41	2.44	151.57	107.76	1.41
2016	627.56	235.68	2.66	185.59	133.73	1.39
2017	659.63	264.07	2.50	203.4	115.72	1.76
Mean	554.24	268.59	2.16	168.32	116.69	1.45
SD	76.51	54.11	0.52	22.48	11.91	0.17
CV	13.80	20.15	23.99	13.36	10.21	11.61
Min	460.08	215.41	1.24	144.05	100.62	1.25
Max	659.63	371.36	2.66	203.4	133.73	1.76

Source: Secondary Data through Audited Annual Report

Table 2: above shows that the current ratio between the years 2013 and 2017 of TTK Prestige Ltd And Hawkins Cookers Ltd.

The current ratio is a liquidity ratio that measures a company's ability to pay short-term and long-term obligations. The thumb rule of current ratio is that current liabilities have to be lesser than the current assets of the company in order to earn profit. From the above table 2, it clear that the current liabilities are lesser than that of current assets for TTK PRESTIGE LTD and HAWKINS COOKERS LTD. Hence it indicates the short-term liquidity of these companies because the higher

current ratio indicates the good quality and also the satisfactory debt repayment capacity of the firm. It also ensures the safety of the investments made by the creditors.

Comparison: TTK Prestige Ltd performance is good when compared to Hawkins Cookers Ltd.

Hypothesis 1

There is no significant relationship between the Current assets and the Current liabilities of the selected companies during different financial years.

Table 3: Correlation between the Current assets and the Current liabilities

		TTK Prestige Ltd		Hawkins Cookers Ltd	
		Current assets	Current liabilities	Current assets	Current liabilities
Current assets	Pearson's Correlation	1	-0.4996	1	0.5216
	N	5	5	5	5
Current liabilities	Pearson's Correlation	-0.4996	1	0.5216	1
	N	5	5	5	5
Degree of Correlation		Moderate Downhill		Moderate Uphill	
Significance of Correlation at 0.05 Level					
Calculated Value of 't'		-0.99893		1.05889	
Table Value of 't'		3.18244631		3.18244631	
Null Hypothesis		Accepted (Relationship doesn't exists)		Accepted (Relationship doesn't exists)	

Table 4: Quick Ratio

Financial Year	TTK Prestige Ltd				Hawkins Cookers Ltd			
	Total Current Assets (in crore)	Inventories (in crore)	Total Current Liabilities (in crore)	Quick Ratio	Total Current Assets (in crore)	Inventories (in crore)	Total Current Liabilities (in crore)	Quick Ratio
2013	460.08	235.53	371.36	0.60	144.05	47.53	100.62	0.96
2014	498.84	266.81	256.41	0.90	156.97	63.48	125.63	0.74
2015	525.09	274.68	215.41	1.16	151.57	68.2	107.76	0.77
2016	627.56	324.73	235.68	1.28	185.59	83.23	133.73	0.77
2017	659.63	324.7	264.07	1.27	203.4	82.75	115.72	1.04
Mean	554.24	285.29	268.59	1.05	168.32	69.04	116.69	0.86
SD	76.51	34.75	54.11	0.26	22.48	13.29	11.91	0.12
CV	13.80	12.18	20.15	24.76	13.36	19.26	10.21	14.10
Min	460.08	235.53	215.41	0.60	144.05	47.53	100.62	0.74
Max	659.63	324.73	371.36	1.28	203.4	83.23	133.73	1.04

Source: Secondary Data through Audited Annual Report

Table 4: above shows that the Quick Ratio between the years 2013 and 2017 of TTK Prestige Ltd and Hawkins Cookers Ltd.

Liquidity ratios measure a company's ability to pay debt obligations and its margin of safety through the calculation of metrics including the current ratio, quick ratio and operating cash flow ratio. Current liabilities are analyzed in relation to liquid assets to evaluate the coverage of short-term debts in an emergency. Bankruptcy analysts and mortgage originators use liquidity ratios to evaluate going concern issues, as liquidity measurement ratio includes cash flow performance.

TTK Prestige Ltd: Quick Ratio is increasing in the range of 0.60 to 1.28 between the year 2013 and 2017. There was dip in the Quick Ratio for the year 2017 (1.27) compared to 2016 (1.28). From Table 4; it is clear that current liability of all year (Except 2013) is lesser than the liquid asset (Current Asset – Inventories). Thus there is a good short term solvency for the

company. It indicates a good repayment capacity of the firm. This ratio result to the indication of ability of the business to pay its current liabilities in real.

Hawkins Cookers Ltd: Quick Ratio is increasing in the range of 0.74 to 1.04 between the years 2014 to 2017, while it was 0.96 in the year 2013. It is clear that current liability of all year (Except 2017) is higher than the liquid asset (Current Asset – Inventories). Hence the company position is moderate related to repayment capacity of the firm.

Comparison: TTK Prestige Ltd performance is good when compared to Hawkins Cookers Ltd.

Hypothesis 2

There is no significant relationship between the Liquid assets and the Current liabilities of the selected company during different financial years.

Table 5: Correlation between the Liquid assets and the Current liabilities

		TTK Prestige Ltd		Hawkins Cookers LTD	
		Liquid assets	Current liabilities	Liquid assets	Current liabilities
Liquid assets	Pearson's Correlation	1	-0.3917	1	0.2266
	N	5	5	5	5
Current liabilities	Pearson's Correlation	-0.3917	1	0.2266	1
	N	5	5	5	5
Degree of Correlation		Moderate Downhill		Weak Uphill	
Significance of Correlation at 0.05 Level					
Calculated Value of 't'		-0.73736		0.40296	
Table Value of 't'		3.18244631		3.18244631	
Null Hypothesis		Accepted (Relationship doesn't exists)		Accepted (Relationship doesn't exists)	

Table 6: Inventory Turnover Ratio

Financial Year	TTK Prestige Ltd			Hawkins Cookers LTD		
	Cost of Goods Sold (in crore)	Average Inventories (in crore)	Inventory Turnover Ratio	Cost of Goods Sold (in crore)	Average Inventories (in crore)	Inventory Turnover Ratio
2013	1,358.48	235.53	5.77	424.72	47.53	8.94
2014	1,293.83	266.81	4.85	457.08	63.48	7.20
2015	1,388.28	274.68	5.05	514.5	68.2	7.54
2016	1,525.12	324.73	4.70	544.35	83.23	6.54
2017	1,603.64	324.7	4.94	578.61	82.75	6.99
Mean	1433.87	285.29	5.06	503.85	69.04	7.44
SD	113.60	34.75	0.37	56.20	13.29	0.81
CV	7.92	12.18	7.35	11.15	19.26	10.94
Min	1293.83	235.53	4.70	424.72	47.53	6.54
Max	1603.64	324.73	5.77	578.61	83.23	8.94

Source: Secondary Data through Audited Annual Report

Table 6: above shows that the Inventory Turnover Ratio between the years 2013 and 2017 of TTK Prestige LTD and Hawkins Cookers Ltd.

The Inventory Turnover Ratio measures the number of times inventory “turned over” or was converted to sales during a time period. It may also be called the Cost of Sales to Inventory Ratio. It is a good indication of purchasing and production efficiency. In general, the higher the ratio, the more frequently the inventory turned over.

From the above table 6, it clear that the inventory Turnover Ratio is considerably higher for TTK Prestige Ltd And Hawkins Cookers LTD. Hence it indicates that both the

company has efficient inventory control, sound sales policies, trading in quality goods and reputation in the market, better competitive capacity and so on.

Comparison: Hawkins Cookers Ltd performance is good when compared to TTK Prestige Ltd.

Hypothesis 3:

There is no significant relationship between the Cost of Goods Sold and the Average Inventories of the selected company during different financial years.

Table 7: Correlation between the Cost of Goods Sold and the Average Inventories

		TTK Prestige Ltd		Hawkins Cookers Ltd	
		Cost of Goods Sold	Average Inventories	Cost of Goods Sold	Average Inventories
Cost of Goods Sold	Pearson's Correlation	1	0.8669	1	0.9511
	N	5	5	5	5
Average Inventories	Pearson's Correlation	0.8669	1	0.9511	1
	N	5	5	5	5
Degree of Correlation		Strong Uphill		Strong Uphill or Almost Perfect Uphill	
Significance of Correlation at 0.05 Level					
Calculated Value of 't'		3.01217		5.33326	
Table Value of 't'		3.18244631		3.18244631	
Null Hypothesis		Accepted (Relationship doesn't exists)		Rejected (Relationship exists)	

Table 8: PBT Margin%

Financial Year	TTK Prestige Ltd			Hawkins Cookers Ltd		
	PBT (in crore)	Sales (in crore)	PBT Margin (%)	PBT (in crore)	Sales (in crore)	PBT Margin (%)
2013	185.2	1,358.48	13.63	50.06	424.72	11.79
2014	151.75	1,293.83	11.73	57.06	457.08	12.48
2015	133.3	1,388.28	9.60	47.31	514.5	9.20
2016	165.57	1,525.12	10.86	60.23	544.35	11.06
2017	172.99	1,603.64	10.79	68.2	578.61	11.79
Mean	161.76	1433.87	11.32	56.57	503.85	11.26
SD	17.89	113.60	1.34	7.44	56.20	1.13
CV	11.06	7.92	11.83	13.16	11.15	10.01
Min	133.3	1293.83	9.60	47.31	424.72	9.20
Max	185.2	1603.64	13.63	68.2	578.61	12.48

Source: Secondary Data through Audited Annual Report

PBT (Profit before Tax) MARGIN % measures the % of pure profit earned on every one rupee of sales made. It means profit generated by the operations of the firm and hence is calculated before considering any financial charge, non-operating income/loss and tax liability etc.

Table 8: above shows that the PBT Margin %between the years 2013 and 2017 of TTK Prestige Ltd and Hawkins Cookers Ltd.

TTK Prestige Ltd: The amount of sales of the company had increased from 1358.48 crores in 2013 to Rs. 1603.64 crores in 2017 with a dip in sales during the year 2014 (1293.83 crores). But PBT Margin % had declined throughout the period except in 2013.This is due to weak industry growth and intensified competition in the market.

Hawkins Cookers Ltd: The amount of sales of the company was in increasing trend during the years between 2013 and 2017. But PBT Margin % had inclined during the year 2013 and 2014 and sudden dip to 9.2% in 2015. Then inclined trend between 2015 and 2017. This is due to high operating expenses and mainly due to high volatility in aluminium prices.

Comparison: Hawkins Cookers Ltd performance is good when compared to TTK Prestige Ltd.

Hypothesis 4: There is no significant relationship between the PBT Profit and Net Sales of the selected company during different financial years.

Table 9: Correlation between the PBT and Net Sales

		TTK Prestige LTD		Hawkins Cookers LTD	
		PBT	Net Sales	PBT	Net Sales
PBT	Pearson's Correlation	1	0.3136	1	0.6748
	N	5	5	5	5
Net Sales	Pearson's Correlation	0.3136	1	0.6748	1
	N	5	5	5	5
Degree of Correlation		Moderate Uphill		Strong Uphill	
Significance of Correlation at 0.05 Level					
Calculated Value of 't'		0.57203		1.58372	
Table Value of 't'		3.18244631		3.18244631	
Null Hypothesis		Accepted (Relationship doesn't exist)		Accepted (Relationship doesn't exist)	

Table 10: Net Profit Margin%

Financial Year	TTK Prestige Ltd			Hawkins Cookers LTD		
	Profit After Tax (in crore)	Sales (in crore)	Net Profit Margin (%)	Profit After Tax (in crore)	Sales (in crore)	Net Profit Margin (%)
2013	133.09	1,358.48	9.80	34.1	424.72	8.03
2014	111.79	1,293.83	8.64	38.28	457.08	8.37
2015	92.32	1,388.28	6.65	32.12	514.5	6.24
2016	114.82	1,525.12	7.53	40.34	544.35	7.41
2017	143	1,603.64	8.92	45.61	578.61	7.88
Mean	119.00	1433.87	8.31	38.09	503.85	7.59
SD	17.64	113.60	1.10	4.76	56.20	0.74
CV	14.82	7.92	13.25	12.49	11.15	9.76
Min	92.32	1293.83	6.65	32.12	424.72	6.24
Max	143	1603.64	9.80	45.61	578.61	8.37

Source: Secondary Data through Audited Annual Report

Net Profit Margin % shows the net contribution made by every 1 rupee of sales to the owner funds. It expresses the cost price effectiveness of the operations. It is a symbol of overall profitability and efficiency of the company/ business.

Table 10: above shows that the Net Profit Margin % between the years 2013 and 2017 of TTK Prestige Ltd and Hawkins Cookers Ltd.

TTK Prestige Ltd: The amount of sales of the company had increased from 1358.48 crores in 2013 to Rs. 1603.64 crores in 2017 with a dip in sales during the year 2014 (1293.83 crores). But Net Profit Margin % had declined between the year 2013 and 2015 and inclined between 2016 and 2017. This is due to weak industry growth and intensified competition in the market.

Hawkins Cookers Ltd: The amount of sales of the company was in increasing trend during the years between 2013 and 2017. But Net Profit % had inclined trend during the year 2015 and 2017. This is due to high operating expenses and mainly due to high volatility in aluminium prices.

Comparison: TTK Prestige Ltd performance is good when compared to Hawkins Cookers Ltd.

Hypothesis 5

There is no significant relationship between the Profit after Tax and Net Sales of the selected company during different financial years

Table 11: Correlation between the Profit after Tax and Net Sales

		TTK Prestige Ltd		Hawkins Cookers Ltd	
		Profit after Tax	Net Sales	Profit after Tax	Net Sales
Profit after Tax	Pearson's Correlation	1	0.4848	1	0.6706
	N	5	5	5	5
Net Sales	Pearson's Correlation	0.4848	1	0.6706	1
	N	5	5	5	5
Degree of Correlation		Moderate Uphill		Strong Uphill	
Significance of Correlation at 0.05 Level					
Calculated Value of 't'		0.96007		1.56576	
Table Value of 't'		3.18244631		3.18244631	
Null Hypothesis		Accepted (Relationship doesn't exist)		Accepted (Relationship doesn't exist)	

Table 12: Earnings per Share (Rs.)

Financial Year	TTK Prestige Ltd			Hawkins Cookers LTD		
	Net Profit (in crore)	No. of Equity Share	Earnings per Share (Rs.)	Net Profit (in crore)	No. of Equity Share	Earnings per Share (Rs.)
2013	133.09	11341190	117.35	34.1	5287815	64.49
2014	111.79	11641190	96.03	38.28	5287815	72.39
2015	92.32	11641190	79.30	32.12	5287815	60.74
2016	114.82	11641190	98.63	40.34	5287815	76.29
2017	143	11651169	122.73	45.61	5287815	86.25
Mean	119.00	11583186	102.81	38.09	5287815	72.03
SD	17.64	121059.61	15.65	4.76	0.00	9.00
CV	14.82	1.05	15.22	12.49	0.00	12.49
Min	92.32	11341190	79.30	32.12	5287815	60.74
Max	143	11651169	122.73	45.61	5287815	86.25

Source: Secondary Data through Audited Annual Report

Earnings per share ratio determine the earnings available to each equity share. Higher the figure better is the performance and prospects of the company. Earnings per share are an important indicator of corporate performance for the investing public.

TTK Prestige Ltd: Earnings per share for the company declined between the year 2013 and 2015 from Rs.117.35 to Rs. 79.30. Then inclined between the years 2015 to 2017 from Rs. 79.30 to Rs. 122.73. This is mainly due to increase in the net profit.

Hawkins Cookers Ltd: Earnings per share for the company inclined between the year 2013 and 2014 from Rs. 64.49 to Rs. 72.39 then dip in the year 2015 to Rs.60.74 and then inclined between the year 2015 to 2017 from Rs. 60.74 to Rs. 86.25. This is mainly due to increase in the net profit.

Comparison: TTK Prestige Ltd performance is good when compared to Hawkins Cookers Ltd.

Table 13: Book Value and Dividend

Financial Year	TTK Prestige Ltd		Hawkins Cookers LTD	
	Book Value/ Share (Rs.)	Dividend/ Share (Rs.)	Book Value/ Share (Rs.)	Dividend/ Share (Rs.)
2013	346.39	17.50	103.55	50.00
2014	500.37	20.00	105.75	60.00
2015	552.40	22.00	111.42	45.00
2016	618.71	27.00	115.49	60.00
2017	733.23	27.00	201.74	70.00

Source: Secondary Data through Audited Annual Report

A company paying dividends is generally a good sign. Well established companies offer dividends back to its shareholders while high growth companies usually do not pay dividends since they reinvest the profits back in the business. If a dividend paying company stops paying dividends, then that is a big red flag. Dividend per share is better metric compared to looking at just the dividends because Dividend per share takes into account the number of shares as well.

Findings of the Study

- Current Ratio is higher for both TTK Prestige Ltd & Hawkins Cookers Ltd; thus indicates the good quality and

also the satisfactory debt repayment capacity of the firm. It also ensures the safety of the investments made by the creditors. TTK Prestige Ltd performance related to Current Ratio is good when compared to Hawkins Cookers Ltd.

- Based on Quick Ratio; there is a good short term solvency for TTK Prestige Ltd compared to Hawkins Cookers Ltd. Hence TTK Prestige Ltd has good repayment capacity, while Hawkins Cookers Ltd has moderate repayment capacity.
- Based on Inventory Turnover Ratio; both TTK Prestige Ltd & Hawkins Cookers Ltd has efficient inventory control, sound sales policies, trading in quality goods and reputation in the market, better competitive capacity and so on.
- Both TTK Prestige Ltd & Hawkins Cookers Ltd; profitability remains exposed to volatility in raw material prices, chiefly aluminium, where prices have exhibited fluctuations in the past. Aluminium prices have been on an uptrend, ability to pass on the same remains crucial for supporting profitability.
- TTK Prestige Ltd performance related to Earnings per share ratio (that determines the earnings available to each equity share) is good when compared to Hawkins Cookers Ltd.
- Both TTK Prestige Ltd & Hawkins Cookers Ltd; has paid Dividend per share to the shareholders between 2013 and 2017. A company paying dividends is generally a good sign. Well established companies offer dividends back to its shareholders while high growth companies usually do not pay dividends since they reinvest the profits back in the business.

Conclusion

TTK, being India's first ISO 9001:2000 certified Kitchenware Company, has a market share of about 40% in the domestic pressure cooker segment within the organised space.

- While TTK continues to see challenges in traditional product categories due to weak industry growth and competition is intensifying in the appliance space
- Hawkins Cookers Ltd; Due to high operating expenses, the EBITDA margins were under pressure which is mainly due to high volatility in aluminium prices.
- Hawkins Cookers Ltd; has a Pan India distribution

network ensuring a wide reach and has helped the company build a strong brand thereby supporting its revenue growth.

- Hawkins Cookers Ltd; growth prospects are supported by favorable demographics, increasing urbanisation, rising number of nuclear families, rising rural incomes and a shift to branded products.
- Both TTK Prestige Ltd & Hawkins Cookers Ltd; In the long-term, Government's thrust on providing Liquefied Petroleum Gas (LPG) connections to rural households and electrification of rural areas is expected to provide fillip to penetration of pressure cookers and cookware in the rural areas.
- Hawkins Cookers Ltd; is exposed to intense competition within the industry requiring considerable spends on advertising and promotion to sustain and build market share.
- Both TTK Prestige Ltd & Hawkins Cookers Ltd; profitability remains exposed to volatility in raw material prices, chiefly aluminium, where prices have exhibited fluctuations in the past. Aluminium prices have been on an uptrend, ability to pass on the same remains crucial for supporting profitability.
- Further overall growth prospects remain constrained by the limited market size for the cooker segment for both TTK Prestige Ltd & Hawkins Cookers Ltd.
- GST would be positive for organised players like TTK Prestige Ltd & Hawkins Cookers Ltd as higher compliance cost for unorganised players would create a level playing field. This may lead to market share gains for TTK & Hawkins Cookers Ltd.
- Due to prevailing uncertainties owing to GST transition, various dealers had started downsizing their inventory stocked, leading to revenue de-growth for both TTK Prestige Ltd & Hawkins Cooker Ltd.
"The financial success of your company will be determined by the scale or significance of the problems you are solving and the opportunities you are creating – Michael Kouly"

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