



A STUDY ON FINANCIAL PERFORMANCE OF BLUE DART EXPRESS LIMITED

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Abstract:

This study aims to analyse the financial performance of Blue Dart Express Limited over a period of five years from 2017 to 2022. The analysis focuses on the company's financial statements, including the balance sheet, and examines various financial ratios such as liquidity, profitability, and solvency. The objectives of the study are to measure the liquidity performance, assess the profitability, evaluate the efficiency, and determine the solvency position of Blue Dart Express Limited. By examining these financial aspects, the study provides valuable insights into the company's overall financial health and performance, which can aid in making informed decisions and strategies for the future.

Keywords: financial performance, Blue Dart Express, company's.

1. INTRODUCTION

Finance is the study and management of money, investments, and other financial instruments. It involves analyzing financial data, forecasting future trends, and making informed decisions that allow individuals, businesses, and organizations to effectively manage their resources and achieve their financial goals. Financial planning involves providing comprehensive financial advice and helping clients achieve their long-term financial goals. Overall, finance is a dynamic and constantly evolving field that plays a critical role in our modern economy.

2. STATEMENT OF THE PROBLEM

Being a leading player in the courier and logistics industry in India, the company has been facing various challenges that affect its financial performance. There is a rising operational costs, and changing customer preferences towards digital and technology driven solutions. These factors have led to decline in the company's revenue and profitability, making it increasingly difficult for the company to maintain its market position and remain competitive in the industry.

3. OBJECTIVES OF THE STUDY

- To measure the Liquidity performance of the company.
- To assess the Profitability of the company.
- To evaluate the Efficiency of the company.
- To know the Solvency position of the company.

4. FINANCIAL ANALYSIS

➤ LIQUIDITY RATIOS

- ✓ Current Ratio
- ✓ Quick Ratio

➤ PROFITABILITY RATIOS

- ✓ Net Profit Ratio
- ✓ Total Expense Ratio
- ✓ Return on Asset
- ✓ Return on Investment

➤ SOLVENCY RATIOS

- ✓ Debt Equity Ratio
- ✓ Proprietary Ratio

➤ ACTIVITY RATIOS

- ✓ Inventory Turnover Ratio
- ✓ Total Assets Turnover Ratio

5. REVIEW OF LITERATURE

Ritika Gugnani (2013) The study covered a period of 2005 to 2012. The researchers had used secondary data and also framed various hypotheses. The study found that board size of a firm has emerged as an important determinant of firm's performance but the interesting part is that it is negatively related with firm performance. This study could be extended to include on other corporate governance issues as board compensation, company's complexity.

Dr. Kamatam Srinivas, Dr. S Ramakoteshwara Rao (2020), In the light of this study, The results are based on the financial ratios like Return on Assets, Return on Equity and Earnings per Share. The study shows that there is no substantial impact of M&A on the financial performance of the acquiring companies. The findings of the study can be useful for the firms, investors and policymakers to understand the impact of M&A on the financial performance of the corporate sector in India. Further research can be conducted by including a larger sample size and by considering other factors that may affect the financial performance of the acquiring companies.

Mr.P.Kanagaraj, Ms.B.Shobika (2021), In this study, the author focuses on the financial performance of Sakthi Sugars Limited. The study is based on secondary data, including records, reports, and company profile, and is validated by a systematic approach to data collection and analysis. The author used ratio analysis, which involves establishing relationships between balance sheet and profit and loss account items, to determine the financial stability and cost-effectiveness of the company. The study analyzed the profitability, cost of goods sold, and overall financial performance of the company over the last 5 years and provided recommendations for its future financial stability and cost-effectiveness.

Dr. R. Mayilsamy, Mr. K. Surya (2021), In this study, the author analyzed the financial performance of Oracle Financial Services Software Limited using five years of company data. The main objective of the study was to assess the profitability of the business. The author used liquidity and profitability ratios as tools for the analysis. The study found that the company needs to improve its day-to-day cash management and efficiency in converting sales into actual profit to achieve better profitability. The author made recommendations for these improvements.

6. TABLE

Year	Current Ratio	Liquid Ratio	NP Ratio (%)	ROA (%)	Total Expense Ratio (%)	ROI (%)
2017-2018	1.15	1.12	5.17	9.63	87.43	43.26
2018-2019	1.1	1.1	2.83	4.96	90.98	29.74
2019-2020	0.76	0.74	-1.32	-1.59	85.05	24.53
2020-2021	0.84	0.81	3.1	3.51	79.13	35.66
2021-2022	0.85	0.82	8.67	13.51	77.33	63.44

Year	Debit Equity Ratio	Proprietary Ratio	Inventory Turnover Ratio	Total Asset Turnover Ratio
2017-2018	0.79	0.35	131.23	186.3
2018-2019	0.99	0.32	122.05	175.26
2019-2020	1.08	0.19	117.64	120.23
2020-2021	2.57	0.2	103.47	113.48
2021-2022	1.22	0.31	126.05	155.92

- The ideal current ratio is 2:1. During the year 2017-18 the firm achieves the current ratio of 1.15. Then the current ratio randomly decreasing after 2019-20. Hence, the management of Blue Dart Express Ltd has low current ratio, the company need to maintain good balance between current assets and current liabilities.
- The ideal quick ratio is 1:1. Liquid ratio is higher during the year 2017-18 with 1.12 and the current year ratio is 0.82. The company is focusing in generating cash in case of emergency.
- The net profit during the year 2017-18 is 5.17% and the current year 2021-2022 is 8.67% has been increased. Thus, the company is earning good profit.
- During the year 2017-2018, the return on assets ratio is 9.63% and the current year 2021-2022 is 13.51%. Which indicates that the company might have invested in assets and achieved enough revenue growth.
- The total expense ratio for the year 2017-18 is 90.98 % and the current year 2021-2022 indicates 77.33 %. Therefore, company need to maintain consistent expense ratio because it directly influences the profitability of the company.
- The return-on-investment ratio in 2017-18 is 43.26 % and the current year has 63.44 % returns on investment. Hence greater the return on investment better is the profitability of a business.
- The company's net sales have also increased over the years, from Rs. 2,799.24 crore in 2018 to Rs. 4,410.49 crore in 2022.
- The debt-to-equity ratio has been fluctuating over the years. In 2018, the debt-to-equity ratio was 0.79, which increased to 2.57 in 2021. However, it decreased to 1.22 in 2022.
- The proprietary ratio has been fluctuating over the years. In 2018-19, the proprietary ratio was 0.32, which decreased to 0.19 in 2019-20. However, it improved to 0.31 in 2021-22.

7. SUGGESTIONS

- Blue Dart Express Limited should focus on maintaining a stable net profit and net sales growth over the long term.
- The company should continue to improve its efficiency by reducing its total expenses ratio.
- The debt-to-equity ratio of the company should be monitored and managed to ensure that it does not become too high.
- The company should aim to maintain a healthy proprietary ratio to ensure a good financial position.
- Blue Dart Express Limited should focus on diversifying its revenue streams to reduce dependence on a single source of revenue. This can help the company to mitigate risks and maintain stable growth over the long term.

8. CONCLUSION

The financial performance of Blue Dart Express Limited has shown mixed results over the past five years. While the company has experienced fluctuations in its net profit and net sales, it has also shown steady growth in certain areas such as return on assets and proprietary ratio. The company has faced challenges in managing its expenses and debt levels, but it has also made efforts to improve its financial position by increasing shareholders' funds and reducing its total debt in recent years. Overall, Blue Dart Express Limited should continue to focus on improving its revenue diversification and technological capabilities to remain competitive in the logistics industry. By addressing these areas, the company can enhance its financial performance and ensure sustainable growth over the long term.

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10. WEBSITE

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- www.screener.com
- www.bluedart.com

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