

A Study On Financial Ratio Analysis And Performance Evaluation With Special Reference To Elevator Industry

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Abstract- This study analyzes the financial performance of Elevator Industry over a five-year period using ratio analysis and comparative financial statements. The analysis covers profitability, liquidity, solvency, and efficiency, offering a comprehensive evaluation of the company's financial health. The research is based on secondary data collected from the company's annual reports and financial statements. The findings reveal fluctuating but generally improving financial performance, supported by strong liquidity and moderate profitability growth in the final year. The study provides valuable insights for stakeholders, including management, investors, and creditors.

Keywords- Ratio Analysis, Financial Performance, Comparative Statements, Liquidity, Profitability, Solvency

statements, and cash flow statements (2020–21 to 2024–25).

Tools Used:

- Ratio Analysis
- Comparative Financial Statements

IV. LITERATURE REVIEW

The study incorporates perspectives from research on financial metrics, including the works of Dr. Madhavi Madireddy et al. (2020), Rajkumar Kankariya (2022), and various industry and academic reports. These works underline the significance of financial ratios and comparative analysis in assessing company performance.

I. INTRODUCTION

The elevator industry plays a pivotal role in urban development, particularly in facilitating vertical mobility in high-rise structures. Elevator Industry, a leading manufacturer in Kerala, has established itself through quality, safety, and technological innovation. This study leverages ratio analysis to assess the financial performance of the company and understand its financial strengths and weaknesses over the years.

V. DATA ANALYSIS AND INTERPRETATION

5.1 Comparative Balance Sheet Analysis (2021–2025)

The capital and liabilities showed consistent growth except for 2024, which experienced a 3.74% drop. However, 2025 rebounded with an 8.74% increase, indicating operational recovery. Assets followed a similar trend with growth in receivables and advances, but fluctuating cash positions indicated cash flow management issues.

II. OBJECTIVES OF THE STUDY

- To evaluate the profitability of Elevator Industry.
- To assess its liquidity position.
- To analyze its solvency and long-term financial stability.
- To evaluate operational efficiency.
- To conduct a comparative analysis of financial performance across five years.

5.2 Comparative Income Statement Analysis (2021–2025)

The company's income saw a dip in 2022, followed by substantial recovery in 2023–2025. The net profit margin peaked in 2025 at 5.60%, reflecting effective cost control and operational efficiency.

III. RESEARCH METHODOLOGY

Type of Study: Analytical
Data Source: Secondary data from balance sheets, income

5.3 Ratio Analysis

Ratio	Observation
Gross Profit Margin	Fluctuated between 55.41% and 58.29%; stable margin indicates consistent production efficiency.

Ratio	Observation
Net Profit Margin	Improved from 2.42% (2021) to 5.60% (2025), signaling better cost and revenue management.
Current Ratio	Remained above 3 across all years, showing strong short-term financial health.
Quick Ratio	Peaked at 2.70 in 2024, slight dip to 2.56 in 2025, still robust.
Cash Ratio	Fluctuated, indicating inconsistent cash reserves. Dropped to 0.15 in 2025.
Debt-Equity Ratio	Maintained around 0.34–0.35, indicating low financial leverage.
Interest Coverage Ratio	Healthy across all years, peaked at 10.04 in 2024.
Asset Turnover	Stable around 1.34–1.41; efficiency in utilizing assets to generate revenue.
Inventory Turnover	Around 3.6–3.79, indicating effective inventory management.

VI. FINDINGS

- Elevator Industry maintained a strong liquidity position throughout the five-year period.
- Profitability was inconsistent but showed significant growth in 2024 and 2025.
- The company relied more on equity financing, maintaining a conservative capital structure.
- Cash flow management needs improvement despite overall growth in profitability.
- Operational and asset utilization efficiency remained stable.

VII. LIMITATIONS OF THE STUDY

- Limited access to internal data constrained deeper financial modeling.
- The study did not consider macroeconomic or competitive market influences.
- Generalizability is limited due to the focus on a single company.

VIII. CONCLUSION

Elevator Industry has demonstrated financial resilience and operational efficiency in a competitive market. Despite challenges in 2024, the company achieved strong recovery in 2025. With continued focus on liquidity and

profitability, Aaron Elevators is well-positioned for sustained growth in the elevator industry.

REFERENCES

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