

## **A STUDY ON FINANCIAL PERFORMANCE OF WIPRO PRIVATE LIMITED**

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### **ABSTRACT**

Wipro Limited is an Indian multinational corporation that provides information technology, consulting, and business process services. Wipro operates in various industries, including banking and financial services, healthcare, energy and utilities, retail, manufacturing, telecommunications, and more. The company offers a wide range of services, including application development and maintenance, infrastructure management, business process outsourcing, consulting, digital transformation, and cyber security. This study is conducted to evaluate the financial performance of Wipro limited to obtain a better understanding of the company's position and performance. The efficient performance of the firm depends on the well planning of the investment and distribution. A financial analysis reveals strength and weakness of the company by properly establishing the relationship between the items of balance sheet and profit and loss account. The study also reveals a reduction in the debt-equity ratio, indicating a shift towards internal financing. Additionally, fluctuations in gross and net profit margins suggest financial pressures that require strategic intervention. The research suggests measures such as cost optimization, improved asset utilization, and enhanced financial planning to sustain financial stability. These insights are valuable for investors and management in making informed strategic decisions. The study adopts a descriptive research design, utilizing financial ratio analysis to assess Wipro's financial trends and growth opportunities.

**Keywords:** Financial Performance, Financial Planning, Services.

### **INTRODUCTION:**

Finance is the study and management of money, investments, and financial systems. It involves the processes of acquiring, managing, and allocating funds effectively to meet personal, business, and government financial needs. Understanding how banks, stock markets, and other financial institutions facilitate economic growth. Wipro Limited is an IT services and consulting company headquartered in Karnataka, India. As of 2012, Wipro is the second largest IT services company by turnover in India, employing about 120,000 people worldwide as of December 2011. Provide outsourced research and development, infrastructure outsourcing, Business Process Outsourcing (BPO) and business consulting services.

Wipro Limited is a leading global information technology, consulting, and business process Services Company. Wipro is recognized for its innovative technology solutions and strong global presence. Founded in 1945 by Mohamed Premji, Wipro started as a vegetable oil manufacturer and diversified into various sectors, including IT, in the 1980s. The company operates across diverse industries, cloud computing, cybersecurity, data analytics, and artificial intelligence, serving clients in over 60 countries. Wipro's financial performance highlights its robust operational capabilities and sustained growth trajectory. Key elements of its financial performance include. Wipro maintains a strong focus on improving operational efficiency, reflected in healthy operating margins and net profits. The company's investments in automation and cost optimization have enhanced its profitability.

Indian IT industry begins in the years of 1970s and contributing to the economic growth and helping industrial growth it achieved a major breakthrough in 1990s. The year of 1995-1996 was a smashing

year for the Indian IT and computer industry. With height quality and price performance IT industry led to outsmart all the other sectors of the country. Industry has grown six-fold in revenue terms, and hence contributing to GDP by more than 9.3% in FY 2016-2017. In the same year, India contributed as world's NO.1 sourcing destination with a significant share of 55%. The Indian software industry hence being one of the most significant and crucial industries of Indian economy holds utmost importance and cannot be unseen. This paper analyses some IT companies of India and enables us to better understand their performance.

Wipro Limited, together with its subsidiaries and associates is a leading India based provider of IT services and products, including business process outsourcing services, globally. Further, Wipro has other businesses such as India and Asia IT services and products and consumer care and lighting. Wipro is headquartered in Bangalore, India. Wipro technologies is a global services provider delivering technology driven business solutions that meet the strategic objectives of clients. Wipro has 40+ 'Centers of Excellence' that create solutions around specific needs of industries. Wipro delivers unmatched business value to customers through a combination of process excellence, quality frame works and service delivery innovation. Wipro is the world's first CMM level 5 certified software services company and the first outside USA to receive IEEE software process award. Wipro is a \$3.5 billion global company in information technology services, R&D services, business process outsourcing. Team Wipro is 75,000 strong from 40 nationalities and growing. Wipro is present across 29 countries, 36 development centres, investors across 24 countries.

## **REVIEW OF LITERATURE:**

Bhunja, A., MukhutI, S., (2011) identified that understanding financial statements is a key to fundamental stock analysis and overall investment research. Financial statements provide an account of a company's past performance, a picture of its current financial strength and a glimpse into the future potential of a firm. The goal is to enhance an ability to make a sound judgment about a company's financial strength and future prospects by using financial statements in your personal investment research.

Sukhdeep Kaur, Poonam (2024) analysed the financial performance of companies, especially in the IT sector, has been widely studied through various financial metrics and analytical frameworks. This section explores existing literature on profitability, liquidity, and financial ratio analysis in assessing corporate performance, with a specific focus on the Indian IT industry. Profitability and liquidity are critical indicators of a firm's financial health. Emphasized the significance of return on capital employed (ROCE) and net profit ratio as key determinants of a company's long-term financial sustainability.

Priyadharshini (2023) evaluated the financial analysis plays a crucial role in evaluating a company's strengths, weaknesses, and overall financial health. It involves examining various financial ratios and performance indicators to assess liquidity, profitability, and solvency. This section reviews existing literature related to financial performance analysis, particularly focusing on Wipro Limited and the broader IT sector. Financial analysis is a widely used approach to assess a company's financial strengths and weaknesses. Ratio analysis is an effective method for evaluating a firm's liquidity, solvency, and operational efficiency.

Pathak (2024) identified the financial analysis is a crucial tool for business managers to assess a company's profitability, operational efficiency, financial stability, and liquidity. By identifying weaknesses, businesses can implement necessary strategies to enhance performance and ensure smooth operations. This section reviews relevant literature on financial analysis, ratio analysis, and Wipro Limited's financial performance. Financial analysis provides essential insights into a company's

financial health, enabling managers to make informed decisions. Financial analysis involves evaluating profitability, liquidity, and solvency to assess a firm's growth potential.

Kanagaraj (2013) in his study determine the financial analysis is an essential tool for evaluating a company's strengths, weaknesses, and overall financial health. It helps in assessing liquidity, profitability, and operational efficiency, enabling management to make informed decisions. This section explores existing literature on financial analysis, ratio analysis, and the financial performance of Wipro Limited. Financial analysis involves examining a company's financial statements to assess its financial stability and growth potential. Emphasized that financial analysis provides insights into a firm's profitability, liquidity, and efficiency, helping stakeholders make strategic decisions

Agnus Baby (2024) analyse the financial performance of manufacturing firms is a widely studied topic in business and finance literature. Several factors, both internal and external, influence a firm's ability to achieve financial success. This review explores key scholarly contributions that analysis the determinants of financial performance, focusing on organizational characteristics and external market forces. Financial performance is a crucial measure of a firm's success and sustainability. Financial performance is influenced by factors such as profitability, liquidity, operational efficiency, and market competitiveness.

#### **STATEMENT OF THE PROBLEM:**

Wipro's financial performance has been impacted by intense competition in the IT services industry, resulting in declining profit margins and slower revenue growth. Despite efforts to diversify its service offerings and expand its global presence, Wipro faces challenges in maintaining its market share and improving its financial performance. Specifically, Wipro's profit margins have declined over the past few years due to increasing competition and pricing pressures.

Wipro's financial performance has been a subject of concern, with declining profitability, increasing debt, and decreasing returns on investment. Wipro's revenue growth has slowed down in recent years, impacted by the global economic downturn and reduced spending by clients. Wipro's revenue is heavily dependent on a few large clients, making it vulnerable to client concentration risks. Wipro faces high employee attrition rates, resulting in increased recruitment and training costs.

#### **OBJECTIVES OF THE STUDY :**

- To evaluate the profitability position of Wipro.
- To determine the liquidity position of the company.
- To study the short-term and long-term solvency in Wipro company Ltd.

#### **RESEARCH METHODOLOGY:**

These documents provide detailed financial statements, including the balance sheet, income statement, and cash flow statement. They also offer insights into the company's strategic initiatives and management discussions. In the source of data provide in money control and the period of study is 2020 to 2024.

#### **RESEARCH DESIGN:**

This study follows a descriptive research design, aiming to systematically analysis Wipro's financial performance from 2020 to 2024. The research will focus on collecting, organizing, and interpreting financial and strategic data to understand trends and growth opportunities.

#### **SOURCES OF DATA:**

### **SECONDARY DATA:**

Secondary data consists of information that has already been collected, compiled, and published by organizations or institutions. In financial analysis, secondary data includes annual reports, profit & loss statements, balance sheets, and cash flow statements, which provide insights into a company's financial health and performance.

### **TOOLS USED:**

- Ratio Analysis
- Mean
- Standard Deviation
- Coefficient of Variation

### **LIMITATIONS OF THE STUDY:**

- The study is limited to only 5 years of financial data.
- The ratios are calculated from past financial statements and these are not indicators of the future performance of the company.
- The financial analysis relied on publicly available data, and access to internal financial report or confidential information was not possible.

### **ANALYSIS AND INTERPRETATION:**

#### **CURRENT RATIO:**

The company has more current assets than liabilities, which generally indicates good short-term financial health. The current ratio is a financial metric that measures a company's ability to pay its short-term obligations with its short-term assets.

$$\text{CURRENT RATIO} = \text{CURRENT ASSETS} / \text{CURRENT LIABILITIES}$$

**Table 1 : Current Ratio**

<b>Years</b>	<b>Current Assets</b>	<b>Current Liabilities</b>	<b>Current Ratio</b>
2023-2024	65,066	25,245	2.58
2022-2023	66,109	26,775	2.47
2021-2022	62,075	30,832	2.01
2020-2021	52,318	23,004	2.27
2019-2020	51,985	21,639	2.40
<b>Total</b>			<b>11.73</b>
<b>Mean</b>			<b>2.35</b>
<b>Standard Deviation</b>			<b>0.22</b>
<b>Coefficient of Variation</b>			<b>9.36</b>

Table 1 depicts that the current ratio in the private company of WIPRO in the year 2019 - 2020 is 2.40, 2020 – 2021 is 2.27, 2021 – 2022 is 2.01, 2022-2023 is 2.47 and 2023 – 2024 is 2.58. The Mean Value of current ratio is 2.35. The Standard Deviation Value of current ratio is 0.22 and Coefficient of Variation Value is 9.36. The maximum ratio was registered in the 2023 – 2024 as 2.58 and the minimum ratio registered in year 2021 – 2022 as 2.01. The average ratio of current ratio is 2.40.

#### **QUICK RATIO:**

This ratio is also called 'Quick' or 'Acid test' ratio. It is calculated by comparing the quick assets with current liabilities. Quick or liquid assets refer to assets which are quickly convertible into cash. Current assets other than stock and prepaid expenses are considered as quick assets.

**QUICK RATIO = QUICK ASSETS / CURRENT LIABILITIES**

**Table 2 : Quick Ratio**

<b>Years</b>	<b>Quick Assets</b>	<b>Current Liabilities</b>	<b>Quick Ratio</b>
2023-2024	65,045	25,245	2.57
2022-2023	66,090	26,775	2.46
2021-2022	62,058	30,832	2.01
2020-2021	52,289	23,004	2.27
2019-2020	51,958	21,639	2.39
<b>Total</b>			<b>11.7</b>
<b>Mean</b>			<b>2.34</b>
<b>Standard Deviation</b>			<b>0.21</b>
<b>Coefficient of Variation</b>			<b>8.97</b>

Table 2 clear that the quick ratio in the private company of WIPRO in the year 2019 - 2020 is 2.39, 2020 – 2021 is 2.27, 2021 – 2022 is 2.01, 2022-2023 is 2.46, 2023 – 2024 is 2.57. The Mean Value of quick ratio is 2.34. The Standard Deviation Value of quick ratio is 0.21 and Coefficient of Variation Value is 8.97. The maximum ratio was registered in the 2023 – 2024 as 2.57 and the minimum ratio registered in year 2021 – 2022 as 2.01. The average ratio of quick ratio is 2.39. A ratio of less than 2 indicates inadequate quick assets to meet current liabilities.

**CASH POSITION RATIO:**

This ratio is also called ‘Absolute Liquid ratio’ or ‘Super Quick Ratio’. This is a variation of quick ratio. This ratio is calculated when liquidity is highly restricted in terms of cash and cash equivalents.

**CASH POSITION RATIO = CASH AND CASH EQUIVALENTS / CURRENT RATIO**

**Table 3 : Cash Position Ratio**

<b>Years</b>	<b>Cash and Cash Equivalents</b>	<b>Current Liabilities</b>	<b>Cash Position Ratio</b>
2023-2024	3,790.60	25,245	0.15
2022-2023	4,527.00	26,775	0.17
2021-2022	4,898.10	30,832	0.16
2020-2021	9,783.20	23,044	0.42
2019-2020	10,444.00	21,639	0.48
<b>Total</b>			<b>1.38</b>
<b>Mean</b>			<b>0.28</b>
<b>Standard Deviation</b>			<b>0.16</b>
<b>Coefficient of Variation</b>			<b>57.14</b>

Table 3 demonstrates that the cash position ratio in the private company of WIPRO in the year 2019 - 2020 is 0.48, 2020 – 2021 is 0.42, 2021 – 2022 is 0.16, 2022-2023 is 0.17, 2023 – 2024 is 0.15. The Mean Value of quick ratio is 0.28. The Standard Deviation Value of quick ratio is 0.16 and Coefficient of Variation Value is 57.14. The maximum ratio was registered in the 2019 – 2020 as 0.48 and the minimum ratio registered in year 2023 – 2024 as 0.15. The average ratio registered in year 2022-2023 is 0.17. An ideal cash position ratio is 0.75:1. This ratio is a more rigorous measure of a firm liquidity position. It is not a widely used ratio.

**LONG-TERM SOLVENCY RATIO**

### **FIXED ASSETS TURNOVER RATIO**

Fixed assets are long-term tangible assets that businesses use in their operations to generate revenue. Unlike current assets, which are expected to be converted into cash within a year, fixed assets are held for extended periods and are not intended for immediate resale.

$$\text{FIXED ASSETS RATIO} = \text{FIXED ASSETS} / \text{LONG-TERM FUNDS}$$

**Table 4 : Fixed Assets Turnover Ratio**

Years	Fixed Assets	Long-Term Funds	Fixed Assets Ratio
2023-2024	8,529.20	73,971.3	0.11
2022-2023	9,428.50	77,076.1	0.12
2021-2022	9,622.20	64,750.9	0.15
2020-2021	9,136.10	54,190.6	0.17
2019-2020	8,512.90	54,389.9	0.16
<b>Total</b>			<b>0.71</b>
<b>Mean</b>			<b>0.14</b>
<b>Standard Deviation</b>			<b>0.02</b>
<b>Coefficient of Variation</b>			<b>14.28</b>

Table 4 depicts that the fixed assets turnover ratio in the private company of WIPRO in the year 2019 - 2020 is 0.16, 2020 – 2021 is 0.17, 2021 – 2022 is 0.15, 2022-2023 is 0.12, 2023 – 2024 is 0.11. The Mean Value of quick ratio is 0.14. The Standard Deviation Value of quick ratio is 0.02 and Coefficient of Variation Value is 14.28. The maximum ratio was registered in the 2020 – 2021 as 0.17 and the minimum ratio registered in year 2023 – 2024 as 0.11. The average ratio registered in year 2021-2022 is 0.15. This ratio should not generally be more than ‘1’. If the ratio is less than one it indicates that a portion of working capital has been financial by long-term funds

### **DEBT EQUITY RATIO :**

This ratio is ascertained to determine long-term solvency position of a company. Debt equity ratio is also called ‘external-internal equity ratio’. The term external equities refer to total outsiders liabilities. An internal equity refers to shareholders funds or the tangible net worth.

$$\text{DEBT EQUITY RATIO} = \text{SHAREHOLDER'S FUNDS} / \text{TOTAL LONG-TERM FUNDS}$$

**Table 5 : Debt Equity Ratio**

Years	Shareholder's Funds	Long-Term Funds	Debt Equity Ratio
2023-2024	464,537	781,164	0.59
2022-2023	452,416	749,883	0.60
2021-2022	543,507	543,512.7	1.00
2020-2021	627,623	627,637.1	1.00
2019-2020	577,819	577,844.1	1.00
<b>Total</b>			<b>4.19</b>
<b>Mean</b>			<b>0.84</b>
<b>Standard Deviation</b>			<b>0.22</b>
<b>Coefficient of Variation</b>			<b>0.26</b>

Table 5 evaluates that the Debt Equity ratio in the private company of WIPRO in the year 2019 - 2020 is 1, 2020 – 2021 is 1, 2021 – 2022 is 1, 2022-2023 is 0.60, 2023 – 2024 is 0.59. The Mean Value of quick ratio is 0.84. The Standard Deviation Value of quick ratio is 0.22 and Coefficient of Variation Value is 0.26. The maximum ratio was registered in the 2019 – 2020 as 1 and the minimum ratio registered in year 2023 – 2024 as 0.59. The average ratio registered in year 2022-2023 is 0.60. This ratio should not generally be more than '1'.

#### **PROPRIETARY RATIO:**

This ratio compares the shareholder's funds or owner's funds and total tangible assets. In other words this ratio expresses the relationship between the proprietor's funds and total tangible assets.

$$\text{PROPRIETARY RATIO} = \text{SHAREHOLDER'S FUNDS} / \text{TOTAL TANGIBLE ASSETS}$$

**Table 6: Proprietary Ratio**

Years	Shareholder's Funds	Total Tangible Assets	Proprietary Ratio
2023-2024	57,781.90	81,086.9	0.71
2022-2023	62,762.30	84,716.7	0.74
2021-2022	54,241.60	79,731.7	0.68
2020-2021	45,241.60	65,029.9	0.69
2019-2020	46,453.70	64,530.3	0.72
<b>Total</b>			<b>3.54</b>
<b>Mean</b>			<b>0.71</b>
<b>Standard Deviation</b>			<b>0.02</b>
<b>Coefficient of Variation</b>			<b>0.03</b>

Table 6 analyses that the Debt Equity ratio in the private company of WIPRO in the year 2019 - 2020 is 0.72, 2020 – 2021 is 0.69, 2021 – 2022 is 0.68, 2022-2023 is 0.74, 2023 – 2024 is 0.71. The Mean Value of quick ratio is 0.71. The Standard Deviation Value of quick ratio is 0.02 and Coefficient of Variation Value is 0.03. The maximum ratio was registered in the 2022 – 2023 as 0.74 and the minimum ratio registered in year 2021 – 2022 as 0.68. The average ratio registered in year 2023-2024 is 0.71. A ratio below 5 is alarming for the creditors since they have to lose heavily in the company's liquidation as it indicates more of creditors funds and lesser of shareholders funds in the total assets of the company.

#### **CAPITAL GEARING RATIO :**

This ratio is also known as capitalisation or leverage ratio. It is also one of the long-term solvency ratios. It is used to analyse the capital structure of the company. The ratio establishes relation between fixed interest and dividend bearing funds and equity shareholders funds. The capital gearing ratio is calculated with the help of the following formula.

$$\text{CAPITAL GEARING RATIO} = \frac{\text{LONG-TERM LOANS} + \text{DEBENTURES} + \text{PREFERENCE SHARE CAPITAL}}{\text{EQUITY SHAREHOLDER'S FUNDS}}$$

**Table 7 : Capital Gearing Ratio**

Years	Long-Term Loans	Debentures	Preference Share Capital	Equity Shareholder's Funds	Capital Gearing Ratio
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2023-2024	62,300	0.00	0.00	931,846	0.07
2022-2023	61,272	0.00	0.00	810,369	0.07
2021-2022	56,463	5.70	0.00	637,925	0.09
2020-2021	56,403	14.10	0.00	637,375	0.09
2019-2020	56,463	25.10	0.00	670,220	0.08
<b>Total</b>					<b>0.4</b>
<b>Mean</b>					<b>0.08</b>
<b>Standard Deviation</b>					<b>0.01</b>
<b>Coefficient of Variation</b>					<b>0.12</b>

Table 7 depicts that the Capital Gearing ratio in the private company of WIPRO in the year 2019 - 2020 is 0.08, 2020 – 2021 is 0.09, 2021 – 2022 is 0.09, 2022-2023 is 0.07, 2023 – 2024 is 0.07. The Mean Value of quick ratio is 0.08. The Standard Deviation Value of quick ratio is 0.01 and Coefficient of Variation Value is 0.12. The maximum ratio was registered in the 2020 – 2021 as 0.09 and the minimum ratio registered in year 2022 – 2023 as 0.07. The average ratio registered in year 2019-2020 is 0.08. Capital Gearing ratio show the proportion of various items of long-term finance employed in the business.

#### **PROFITABILITY RATIO:**

##### **GROSS PROFIT RATIO:**

This ratio is also known as Gross Margin or Trading Margin Ratio. Gross profit ratio indicates the difference between sales and direct costs. Gross profit ratio explains the relationship between gross profit and net sales.

$$\text{GROSS PROFIT RATIO} = \text{GROSS PROFIT} / \text{NET SALES} \times 100$$

**Table 8 : Gross Profit Ratio**

<b>Years</b>	<b>Gross Profit</b>	<b>Net Sales</b>	<b>Gross Profit Ratio</b>
2023-2024	281,153	897,600	31.32
2022-2023	266,106	909,348	29.26
2021-2022	259,430	795,289	32.62
2020-2021	235,062	622,425	37.76
2019-2020	196,225	613,401	31.98
<b>Total</b>			<b>162.94</b>
<b>Mean</b>			<b>32.59</b>
<b>Standard Deviation</b>			<b>3.15</b>
<b>Coefficient of Variation</b>			<b>0.09</b>

Table 8 clear that the Gross profit ratio in the private company of WIPRO in the year 2019 - 2020 is 31.98, 2020 – 2021 is 37.76, 2021 – 2022 is 32.62, 2022-2023 is 29.26, 2023 – 2024 is 31.32. The Mean Value of quick ratio is 32.59. The Standard Deviation Value of quick ratio is 3.15 and Coefficient of Variation Value is 0.09. The maximum ratio was registered in the 2020 – 2021 as 37.76 and the minimum ratio registered in year 2022 – 2023 as 29.26. The average ratio registered in year 2019-2020 is 31.98. A high ratio is preferable, indicating higher profitability. A lower gross profit margin may be due to the two factors: Increase in cost of goods sold and Decrease in selling price.

**NET PROFIT RATIO:** This ratio is also called net profit to sales ratio. It is a measure of management's efficiency in operating the business successfully from the owner's point of view. It

indicates the return on shareholder's investments. Higher the ratio better is the operational efficiency of the business concern.

$$\text{NET PROFIT RATIO} = (\text{NET PROFIT AFTER TAX} / \text{NET SALES}) \times 100$$

**Table 9 : Net Profit Ratio**

Years	Net Profit After Tax	Net Sales	Net Profit Ratio
2023-2024	110,000	897,600	12.25
2022-2023	113,500	909,348	12.48
2021-2022	122,191	795,289	15.36
2020-2021	107,946	622,425	17.34
2019-2020	97,218	613,401	15.84
<b>Total</b>			<b>73.27</b>
<b>Mean</b>			<b>14.65</b>
<b>Standard Deviation</b>			<b>2.21</b>
<b>Coefficient of Variation</b>			<b>0.15</b>

Table 9 indicates that the Net profit ratio in the private company of WIPRO in the year 2019 - 2020 is 15.84, 2020 – 2021 is 17.34, 2021 – 2022 is 15.36, 2022-2023 is 12.48, 2023 – 2024 is 12.25. The Mean Value of quick ratio is 14.65. The Standard Deviation Value of quick ratio is 2.21 and Coefficient of Variation Value is 0.15. The maximum ratio was registered in the 2020 – 2021 as 17.34 and the minimum ratio registered in year 2023 – 2024 as 12.25. The average ratio registered in year 2021-2022 is 15.36. Net profit includes non-operating incomes and profits. Similarly net profit is the profit after reducing non-operating expenses. Provision for tax is also subtracted while determining net profit.

#### **OPERATING RATIO:**

This ratio indicates the relationship between total operating expenses and sales. In finance, the operating ratio is a company's operating expenses as a percentage of revenue. This financial ratio is most commonly used for industries which require a large percentage of revenues to maintain operations, such as railroads.

$$(\text{COST OF SALES} + \text{OPERATING EXPENSES} / \text{NET SALES} \times 100)$$

**Table 10 : Operating Ratio**

Years	Cost of Sales	Operating Expenses	Net Sales	Operating Ratio
2023-2024	897.6	776,468	897,600	0.87
2022-2023	904.9	779,908	909,348	0.86
2021-2022	795.3	662,381	795,289	0.83
2020-2021	622.4	504,357	622,425	0.81
2019-2020	638.6	504,357	613,401	0.82
<b>Total</b>				<b>4.19</b>
<b>Mean</b>				<b>0.84</b>
<b>Standard Deviation</b>				<b>0.02</b>
<b>Coefficient of Variation</b>				<b>0.02</b>

Table 10 identifies that the Operating ratio in the private company of WIPRO in the year 2019 - 2020 is 0.82, 2020 – 2021 is 0.81, 2021 – 2022 is 0.83, 2022-2023 is 0.86, 2023 – 2024 is 0.87. The Mean Value

of quick ratio is 0.84. The Standard Deviation Value of quick ratio is 0.02 and Coefficient of Variation Value is 0.02. The maximum ratio was registered in the 2023 – 2024 as 0.87 and the minimum ratio registered in year 2020 – 2021 as 0.81. The average ratio registered in year 2021-2022 is 0.83. Operating ratio measures the amount of expenditure incurred in production sales and distribution of output.

#### **RETURN ON TOTAL ASSETS :**

This ratio is calculated to measure the productivity of total assets. There are two ways of calculating this ratio. Return on Total Assets is a financial ratio that measures a company's ability to generate profits from its total assets. It indicates how efficiently a company is using its assets to generate earnings.

$$(\text{NET PROFIT AFTER TAX} + \text{INTEREST} / \text{TOTAL ASSETS} - \text{FICTITIOUS ASSETS}) \times 100$$

**Table 11: Return on Total Assets**

<b>Years</b>	<b>Net Profit After Tax</b>	<b>Interest</b>	<b>Total Assets</b>	<b>Fictitious Assets</b>	<b>Return on Total Assets</b>
2023-2024	11,121	6,929	1,152,459	29,101	1.61
2022-2023	113,500	6,815	1,175,000	43,045	10.63
2021-2022	122,434	7,791	1,079,000	43,555	12.58
2020-2021	107,946	14,148	831,430	13,085	14.92
2019-2020	97,218	16,995	817,060	16,362	14.26
<b>Total</b>					<b>54.0</b>
<b>Mean</b>					<b>10.8</b>
<b>Standard Deviation</b>					<b>5.40</b>
<b>Coefficient of Variation</b>					<b>0.5</b>

Table 11 depicts that the Return on total ratio in the private company of WIPRO in the year 2019 - 2020 is 14.92, 2020 – 2021 is 14.92, 2021 – 2022 is 12.58, 2022-2023 is 10.63, 2023 – 2024 is 1.61. The Mean Value of quick ratio is 10.8. The Standard Deviation Value of quick ratio is 5.40 and Coefficient of Variation Value is 0.5. The maximum ratio was registered in the 2020 – 2021 as 14.92 and the minimum ratio registered in year 2023 – 2024 as 1.61. The average ratio registered in year 2021-2022 is 12.58.

#### **SUGGESTIONS :**

- Focus on increasing cash reserves to enhance the cash position ratio to meet short-term obligations more effectively. The company improving the gross profit ratio by optimizing pricing, reducing costs, and improving operational efficiency.
- Consider strategies to enhance the net profit ratio, such as reducing operational costs, improving asset utilization, and optimizing tax strategies.
- Consider strategies to reduce volatility in asset utilization efficiency, such as diversifying assets, improving risk management, and optimizing investment strategies. Implement cost control measures to reduce rising operating expenses, especially in production and distribution.
- Ensure a balanced mix of long-term and short-term funds for financing fixed assets to avoid over-reliance on short-term borrowings. In periods of declining gross profit and net profit ratios, consider revising the pricing strategy and addressing rising costs to maintain profitability.

## **CONCLUSION:**

Wipro and Infosys Ltd. both are leading companies within the information and technology industry. Both the companies have a critical part to play for the economy as well as investors. With reference to the above examination the budgetary position of Infosys Ltd. can be said as way better than that of Wipro Ltd. As seen within the over examination, nearly on every parameter the execution of Infosys Ltd. outperformed the Wipro Ltd. In spite of the fact that it isn't an alarm warning circumstance for Wipro Ltd but in comparison to Infosys Ltd. it should improve its management productivity in utilizing the proprietors fund. Besides Infosys should also give their emphasis on utilizing debts capital in order to extend its esteem and getting optimum capital structure. The company's solvency is stable, with reduced financial risk due to declining debt levels. Profitability has shown a downward trend, which could be attributed to increased competition, higher operational costs, or reduced revenue growth. Strategic measures focusing on cost efficiency, revenue diversification, and investment in innovation could help Wipro enhance its financial performance in the coming years.

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