A STUDY ON EFFECTIVENESS OF FINANCIAL ANALYSIS WITH SPECIAL REFERENCE TO THE LAKSHMI MILLS COMPANY LIMITED – COIMBATORE

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ABSTRACT:

The textiles industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes about 14 percent to industrial production; It contributes 4 percent of GDP and around 22 percent of foreign exchange earnings and is the largest employer after agriculture employing about thirty – five million workers and 27 percent to the country's foreign exchange inflows. It provides direct employment to over 45 million people. So much so, the textile industry accounts for as large as 21% of the total employment generated in the economy. Textile industry provides immense opportunities to provide large scale employment. It has got great potential to earn the much needed foreign exchange in a bigger way. This is one of the largest industries in Tamilnadu, The paper focuses on the financial strength of “The Lakshmi Mills Company Limited” textile sector in Coimbatore and to know that up to what extend this mill has used their available resource effectively. For this purpose profitability, liquidity and solvency position of the The Lakshmi Mills Company Limited has examined. In this paper the data have been analyzed with the help of different accounting and statistical techniques such as Ratio Analysis and Trend Analysis has used to know the financial soundness of “The Lakshmi Mills Company Limited.”

KEY WORDS: Textile industry, foreign exchange, profitability.

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