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## A Study on Consumer Satisfaction on Amway Products

*D R. B. Gunasekaran<sup>1</sup>, Mr. S.Syed Abdul Hafeez.<sup>2</sup>*

<sup>1</sup>M.Com., MBA., M.F.M., M.Phil., Ph.D., ASSISTANT PROFESSOR Sri Krishna Adithya college of Arts and science.

<sup>2</sup>Student, Department of Commerce with business process service., Sri Krishna Adithya college of Arts and science.

### ABSTRACT:

The research intends to examine the financial performance of Asian Paints Limited, which is one of the prominent paint manufacturing companies in India, from 2018-2022. The research utilizes financial ratios like liquidity ratios, profitability ratios, and efficiency ratios to analyze the financial health and performance of the company. The results show that Asian Paints Limited has been in a sound financial position with rising revenues, net profits, and return on equity over the study period. The liquidity ratios imply that the company has adequate current assets to cover its short-term liabilities.

The profitability ratios show that the company has made good profits from operations, with a stable gross profit margin and net profit margin. Efficiency ratios indicate that the company has been successful in managing assets to generate profits and sales. Room for improvement exists within inventory turnover and receivables turnover ratios.

Overall, the research concludes that Asian Paints Limited has exhibited a financially stable performance and the potential for future growth. Strong brand of the company, diverse product portfolio, and innovation focus have enabled it to be a market leader in the Indian paint market.

**KEYWORDS:** Monitoring Of Financial Performance, Working Capital Turnover Ratio, Liquidity Ratio, Asian Paints.

### INTRODUCTION

Since its modest start in 1942, the firm has advanced significantly. Four friends who were prepared to take on the world's biggest and most renowned paint businesses that were then functioning in

India founded it as a partnership venture. In twenty-five years, Asian Paints rose to prominence as India's top paint manufacturer and a major force in business. Since 1967, the firm has led the paint market because of its strong customer focus and inventive attitude. Asian Paints produces a large variety of paints for both industrial and ornamental applications. Other products in its line-up include wall coverings, adhesives, water proofing, and services. The firm sells kitchen and bathroom items and is active in the home improvement and decor market. The firm expanded its line of furniture, lighting, and furnishings.

The business and Weather seal Fenestration recently signed a firm agreement for the acquisition of a 51 percent share. When weather seal was formed in March 2022, its operations included the production of uPVC door and window systems as well as interior painting and furnishing.

Additionally, Asian Paints signed a formal agreement to purchase a 49% share in Obgenix

Software, also doing business as White Teak, which produces fans and decorative lighting items. Based in Mumbai, Maharashtra, India, Asian Paints Ltd is a worldwide paint manufacturer. The company's operations include the production, marketing, and distribution of paints, coatings, home decor items, bathroom fixtures, and other services.

Based on market share, Asian Paints is the biggest paint business in India. It is Berger International's parent corporation. The corporation operates production facilities in fifteen countries worldwide, including India, and has a significant presence in the Middle East and the Indian subcontinent.

The Asian Paints is the largest paint manufacturer in India, the third largest in Asia, and the ninth largest in the world. For the past seven years, it has been setting the bar high for operational effectiveness, management, cutting-edge innovation, and technical vision. With 26 production locations spread across 16 countries and subsidiaries, the firm serves customers worldwide in over 165 nations. Asian Paints operates offices, retail locations, and production plants throughout India.

Asian Paints has operations in several major cities, including Mumbai, where the firm is based, Kolkata, Chennai, Delhi, Bangalore, Hyderabad, and so on. Asian Paints, a major force in the international paint market, is well-established in several Asian, Middle Eastern, and African countries.

In this study, the items in the balance sheet and the profit and loss account of Asian Paints Limited

for the previous five years are appropriately correlated to determine the firm's financial strengths and weaknesses

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## STATEMENT OF PROBLEM

Asian Paints Ltd., a well-known paint producer in India, has grown steadily in recent years. To determine any possible dangers and locations for assessment of the company's financial performance in light of the growing competition and changing market conditions is essential for improvement. An examination of the company's financial statements can provide crucial details on its profitability, liquidity, efficiency, and leverage. Therefore, the purpose of this research is to use financial statement analysis to examine Asian Paints Ltd.'s financial performance to identify any financial strengths or weaknesses of the company and, if required, provide recommendations for improvement.

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## OBJECTIVE OF THE STUDY

- \* To study the financial performance of ASIAN PAINT Ltd over a period of five years (2018-2019 to 2022-2023)
- \* To evaluate the financial position of the company in terms of solvency, profitability, liquidity, and efficiency.
- \* To estimate the trend in inventory of the firm
- \* To offer suggestions for improving the financial performance of the company

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## RESEARCH METHODOLOGY

The research methodology provides an understanding of the type of study design, sample strategies, data-gathering methods, and data-processing tools. The proper procedure has been devised to achieve the study's objectives and investigate the data gathered. A research technique is a general framework for how a formal inquiry should operate. The research technique is a process or a strategy to obtain the desired facts by locating the information in primary and secondary sources. This chapter covers data-gathering methods and analytic tools

### SOURCE OF DATA

Only secondary data are used for analysing the financial position of Asian Paints Ltd

### SECONDARY DATA

The data of the company has been collected from the annual report and balance sheet given by the company. The data has been referred from the website and books

### TOOLS

- ☐ Ratio Analysis
- ☐ Trend Analysis
- ☐ Working Capital

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## SCOPE OF THE STUDY

The main purpose of financial statement analysis is to aid in decision-making. They are crucial in establishing the framework and managerial conclusions that are derived from these statements and are very helpful when making decisions based on the examination and understanding of financial statements. Every Finance is necessary for a company endeavour to operate smoothly. To make the best use of this, it must generate money from the least expensive and riskiest source. As a result, every business will be curious to learn about its financial success. The purpose of the current research, "Financial Performance Analysis of Asian Paints," is to determine Asian Paints Limited's liquidity, solvency, profitability, and efficiency.

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## LIMITATION OF THE STUDY

- The study's foundation is secondary data sources, including the company's publicly available financial statements. As a result, the correctness of the information in these assertions is correlated with the ratios' dependability.
- The study is for a period of five years only FY 2018-2019 to 2022-2023
- The study involves the use of various financial tools, which itself has its limitations.
- The ratio is derived from historical financial records, which do not serve as predictive indicators for the future Objectives of the Study

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## REVIEW OF LITERATURE

(Dr. Pradip Kumar Das 2022) The paper is an attempt to analyze the financial statements of an Indian-selected information Technology company mainly based on specific ratios. Financial analysis is a process of concinnity and outline of financial and effective pursuits of a business enterprise. Financial analysis is a receptive facet in the domain of financial management. company in India by way of financial analysis. Statistical tools and techniques help analyze the essence of empirical study which provides rationality to management. Mrs. P. Janet Mary Portia, and Dr. K. Sivasakthi (2021) When companies become bankrupt, it creates huge losses for shareholders, banking companies as well as the entire economy. secondary data has been collected for their study. The study was made on the top five Indian companies listed in BSE from the paint industry. The author concluded that his study observed the applicability of DuPont analysis and Altman ZScore to analyze the financial stability and insolvency or bankruptcy of five paint manufacturing companies. (Rajender, 2020) Profit maximization is the basic objective of each firm. Within the gift competitive world, no firm will sustain itself while not profiting. Typically profit suggests financial gain over expenditure of a firm. To gauge the money performance of the firm, it's vital to analyze the gain position of the firm over an amount of time. In money accounting, there are many techniques and tools that are accessible for the performance of a corporation. This study tries to research the money performance of the chosen paint corporations in Asian nations victimization quantitative relation analysis also as applied mathematics techniques have wont to interpret the information. The study amount is of five years from 2014-15 to 2018-19. The study concluded that the position of the chosen Paint corporations looks to be smart and satisfactory

(Krunal J. Kakkad, Dr. C.M. Thakkar, 2020) The paint trade is one of the foremost necessary and hard-to-please industries within the world market. It includes producing and selling paints, varnishes, stains, and completely different coatings. As per the literature, the Indian paint trade is of federal agency 50,000 crores turnover. The trade is split into 2 components, decorative/domestic (like homes, property, etc) and Industrial (which includes cars, electronic things like icebox, washer, etc.). Out of those 2 segments of trade, the three-fourth contribution is returning from decorative/domestic whereas one-fourth of the business is caused by the industrial paint phase.

Dr. Murugesan. D., Dr. A. Krishnan (2019) The study reveals that the financial position of Asian Paints Limited is good as it remained above the standard norms throughout the study

### OF ASIAN PAINTS

Asian Paints has 26 paint manufacturing sites worldwide and operates in 15 countries. In addition to using the name "Asian Paints," the group has operations all over the world through Asian Paints Berger, Apco Coatings, SCIB Paints, Taubman's, Causeway Paints, and Kadisco Asian Paints, among its subsidiaries.

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### GLOBAL SETUP IS AS FOLLOWS:

- \* With 15 manufacturing facilities spread across South Asia (India, Bangladesh, Nepal, and Sri Lanka), Asian Paints is known as Asian Paints Causeway in Sri Lanka. \* The company is present in South East Asia, in Indonesia, where the company has 1 manufacturing plant
- \* Asian Paints services Fiji, Samoa Islands, Vanuatu, and the Solomon Islands from its two manufacturing facilities spread around the South Pacific region. Asian Paints is referred to as Apco Coatings and Taubmans in Fiji and Taubmans in the Samoan Islands; Apco Coatings is the name used in the rest of the nations.
- \* Asian Paints operates in the Middle East (Oman, Bahrain, Egypt, Dubai, Qatar), where it has 5 manufacturing plants. It is known as SCIB Paints in Egypt and Asian Paints Berger in the rest of the countries
- \* Asian Paints, also known as Kadisco Asian Paints, operates three manufacturing facilities in Ethiopia.
- \* Taubmans in South Pacific (Fiji and Samoa)

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### MARKETING STRATEGIES

- \* In contrast to its rivals who focus exclusively on the cities, Asian Paints embraces national distribution with an extensive network of 13,000 dealers. To support dealers throughout India, the corporation keeps a sizable network of company depots, regional offices, and sales representatives.
- \* Asian Paints prioritises its communication and brand strategy in addition to efforts to earn the trust of its clients. Asian Paints hired Bangalore-based "Momentum" as consultants in 2000 for a new advertising campaign aimed at promoting a positive public image.
- \* Asian Paints lowered the price of its paints by lowering the cost of raw materials. It developed an additional marketing tactic that elicited strong feelings from the target audience.
- \* Asian Paints excels at coordinating production and marketing. Its philosophy of providing customised products to meet the needs of customers has led to a constantly expanding product line.
- \* Asian Paints' corporate reputation has been a significant asset. It presents a picture of a reputable, well-run, and prosperous business. Asian Paints has won numerous honours and recognitions.

\* In its activities, Asian Paints gave technology and marketing a lot of attention. To streamline procedures, it put Supply Chain Management (SCM) and Enterprise Resource Planning (ERP) systems into place.

\* By partnering with PPG INC, a leading manufacturer of automotive coatings, Asian Paints seeks to meet the ever-growing requirement of automotive coating, industrial powder, protective coating, industrial light coating, and industrial container coating in india.

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## GROWTH

Asian Paints began operations before India's independence in 1942 and has had a very successful and protracted journey. Asian Paints developed into a corporate workforce and became India's top paint firm in less than 25 years of operation. Having dominated the Indian paints business since 1967, it currently has twice the size of any other Indian paint manufacturer.

Asian Paints is a company that operates in the decorative paints sector. Its product line includes enamels, wood finishes, interior and exterior wall finishes and more. Asian Paints is also active in the Industrial Coatings market, where it runs two 50:50 joint ventures with

PPG, Inc. in the United States.

Due to vertical integration, Asian Paints also expanded into the chemical industry, producing goods like pentaerythritol and phthalic anhydride, both of which are needed in the paint industry. However, the firm has not produced phthalic anhydride since the end of July 2017. Asian Paints' products, Slek and Ess , are also available in the Home Improvement and Decor section and are displayed in the Kitchen and Bath Fittings area.

With the introduction of Viroprotek, the company has lately ventured into the Sanitization and Surface Disinfectants market. Additionally, when the COVID-19 pandemic began, Asian Paints provided its clients with San Assure and Safe Painting services in addition to sanitization.

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## CONCLUSION

Over the past five years (2019-2023), Asian Paints has demonstrated commendable financial performance amidst challenges, showcasing resilience and strategic adaptability. The company's liquidity position notably improved, evidenced by rising current and quick ratios, reflecting effective working capital management. Despite revenue decline, Asian Paints maintained reasonable profitability, leveraging efficient cost control and operational effectiveness. Efficient asset management was evident through a significant uptick in the fixed asset turnover ratio, contributing positively to overall performance. While challenges persist in revenue generation, Asian Paints' moderate leverage and prudent financial management ensure stability and resilience. Looking ahead, the company's strong financial footing, coupled with strategic agility, positions it well for sustained growth and leadership in the industry.

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