PROFITABILITY ANALYSIS OF SELECTED CEMENT INDUSTRIES IN TAMIL NADU

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ABSTRACT

Every firm is most concerned with its profitability. The main aim of every business is to earn profits. The word profitability is composed of two words – profit and ability. On this basis the concept of profitability may be defined as the ability of a given investment to earn a return from its use. This ability is also referred to as earning power or operating performance of the concerned investment. An analysis of cost and revenue of the firm which determines whether or not the firm is profiting is known as profitability analysis. One of the most frequently used tools of financial ratio analysis is profitability ratios, which are used to determine the company’s bottom line and its return to its investors. Profitability ratios show a company’s overall efficiency and performance. The present study is mainly focuses on the analysis of profitability of selected cement industries in Tamil Nadu through financial ratios and other financial and statistical tools. This study is also aimed to identify the profitability trends and growth of selected cement industries in Tamil Nadu.

Key words: Cement industries, Profitability analysis, Ratio analysis, Operating Performance