"AN IMPACT OF LIQUIDITY AND LEVERAGE ON PROFITABILITY OF SELECTED GEMS AND JEWELLERY COMPANIES OF INDIA"

A THESIS

SUBMITTED BY

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DECLARATION BY THE CANDIDATE

I declare that dissertation entitled **"AN IMPACT OF LIQUIDITY AND LEVERAGE ON PROFITABILITY OF SELECTED GEMS AND JEWELLERY COMPANIES OF INDIA"** is my own work conducted under the supervision of **Dr. Alpa Joshi** at Department of Commerce, Faculty of Business and Commerce, Atmiya University, Rajkot, Gujarat, India and approved by the Director of Research.

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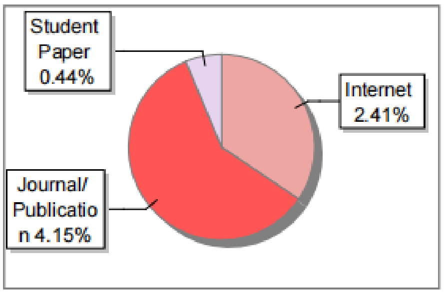

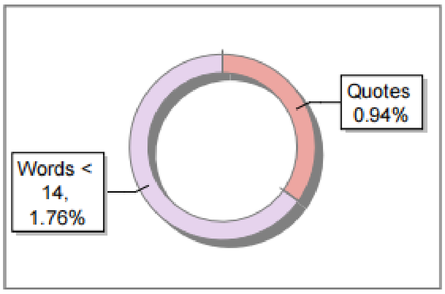

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PREFACE

Welcome to our exploration of how having enough money and borrowing affect how well jewelry companies in India make money. In this study, we'll dive into the world of gems and jewelry, focusing on understanding how easily these companies can pay their bills and how much money they borrow to keep their businesses running smoothly.

India has a long and rich history when it comes to making beautiful jewelry. From intricate designs passed down through generations to modern innovations, the gems and jewellery industry is not just about creating adornments, but it's also a vital part of our culture and economy. It's fascinating to see how finances play a role in shaping this vibrant sector.

First, let's talk about liquidity. Think of liquidity as having enough cash or assets that can quickly be turned into cash to pay for things. For jewelry companies, it's crucial to have enough liquidity to buy raw materials, pay employees, and cover other expenses. We'll look at different measures like how quickly they can sell their inventory and how fast they can convert their assets into cash to understand their financial health.

Next up is leverage. Leverage is like using borrowed money to run a business. While it can help companies grow faster, it also adds risks. For example, if a company borrows too much money and can't pay it back, they might face financial trouble. In the gems and jewellery industry, where investments in equipment and materials can be significant, understanding how much companies borrow and how they manage their debts is crucial. We'll explore different aspects of leverage, such as how much debt they have compared to their own money and how easily they can cover their loan payments.

Lastly, we'll delve into profitability. Profitability is all about how much money a company makes after covering all its expenses. It's the ultimate measure of success in business. We'll analyze various indicators like profit margins and returns on investment to understand which companies are doing well and why. Factors like market demand, production costs, and competition all play a part in determining profitability in the gems and jewellery industry.

This Research Work has been divided into five chapters. First chapter deals with the theoretical background of the study which covers the introduction of the financial literacy and overview of jewelry company. The second chapter covers the literature review, research methodology is covered in the third chapter and fourth chapter shows the data analysis and interpretation and in the last chapter there is summary, findings and suggestions based on the data.

INDEX

NO.	PARTICULAR	PAGE NO.
❖	DECLARATION	II
❖	CERTIFICATE	III
❖	CERTIFICATE OF PLAGIARISM CHECK	IV
❖	PLAGIARISM SOFTWARE ANALYSIS REPORT	V
❖	ACKNOWLEDGEMENT	VII
❖	INDEX	VIII
❖	LIST OF FIGURES	IX
❖	LIST OF TABLES	X
❖	CHAPTERS	
1	INTRODUCTION	1-21
2	CONCEPTUAL FRAMEWORK	26-66
3	LITERATURE REVIEW	71-82
4	RESEARCH METHODOLOGY	85-95
5	DATA ANALYSIS & INTERPRETATION	99-157
6	SUMMARY, FINDINGS, SUGGESTIONS	161-178
7	BIBLIOGRAPHY	180-188

LIST OF FIGURES

NO.	PARTICULARS	PAGE NO
1.1	WORKING CAPITAL CYCLE	3
1.2	CLASSIFICATION OF GEMS AND JEWELLERY SECTOR	27
2.2	GLOBAL JEWELLERY DEMAND MIX	31
4.1	LIST OF COMPANIES	88
4.2	LIST OF RATIOS	91
5.1	TYPES OF RATIOS	101
5.2	CURRENT RATIO	104
5.3	QUICK RATIO	109
5.4	DEBT TO EQUITY RATIO	114
5.5	INTEREST COVERAGE RATIO	119
5.6	DEBT TO ASSETS RATI	124
5.7	RETURN ON ASSETS RATIO	129
5.8	RETURN ON INVESTMENT RATIO	134

LIST OF TABLES

NO.	PARTICULAR	PAGE NO.
2.1	AREA OF OPERATIONS	
5.1	LIST OF VARIABLES USED IN THE STUDY	101
5.2	CURRENT RATIO	103
5.3	QUICK RATIO	108
5.4	DEBT TO EQUITY RATIO	113
5.5	INTEREST COVERAGE RATIO	118
5.6	DEBT TO ASSETS RATIO	123
5.7	RETURN ON ASSETS RATIO	128
5.8	RETURN ON INVESTMENT RATIO	133
5.9	REGRESSION OF CURRENT RATIO WITH RETURN ON ASSETS	137
5.10	REGRESSION OF QUICK RATIO WITH RETURN ON ASSETS	139
5.11	REGRESSION OF CURRENT RATIO WITH RETURN ON INVESTMENT	141
5.12	REGRESSION OF QUICK RATIO WITH RETURN ON INVESTMENT	143
5.13	REGRESSION OF DEBT-TO- EQUITY RATIO WITH RETURN ON ASSETS	145
5.14	REGRESSION OF INTEREST COVERAGE RATIO WITH RETURN ON ASSET	147
5.15	REGRESSION OF DEBT TO ASSETS RATIO WITH RETURN ON ASSETS	148
5.16	REGRESSION OF DEBT-TO-EQUITYRATIO WITH RETURN ON INVESTMENT	151
5.17	REGRESSION OF INTEREST COVERAGE RATIO WITH RETURN ON INVESTMENT	153
5.18	REGRESSION OF DEBT TO ASSETS RATIO WITH RETURN ON INVESTMENT	155

6.11	**REGRESSION OF CURRENT RATIO WITH RETURN ON ASETS**	**163**
6.12	**REGRESSION OF QUICK RATIO WITH RETURN ON ASSE**	**164**
6.13	**REGRESSION OF CURRENT RATIO WITH RETURN ON INVESTMENT**	**165**
6.14	**REGRESSION OF QUICK RATIO WITH RETURN ON INVESTMENT**	**166**
6.15	**REGRESSION OF DEBT-TO- EQUITY RATIO WITH RETURN ON ASSETS**	**167**
6.16	**REGRESSION OF INTEREST COVERAGE RATIO WITH RETURN ON ASSETS**	**168**
6.17	**REGRESSION OF DEBT TO ASSETS RATIO WITH RETURN ON ASSETS**	**169**
6.18	**REGRESSION OF DEBT-TO-EQUITY RATIO WITH RETURN ON INVESTMENT**	**170**
6.19	**REGRESSION OF INTEREST COVERAGE RATIO WITH RETURN ON INVESTMENT**	**171**
6.20	**REGRESSION OF DEBT TO ASSETS RATIO WITH RETURN ON INVESTMENT**	**172**

CHAPTER 1

CONCEPTUAL FRAMEWORK OF LIQUIDITY, LEVERAGE AND PROFITABILITY

(sources: www.google.com)

INDEX

No.	Particular	Page No.
1.1	Introduction	1
1.2	Liquidity	
	1.2.1 The concept of Liquidity	**2**
	1.2.2 Impact of Liquidity	**4**
	1.2.3 Liquidity, Solvency and Financial Flexibility	**5**
	1.2.4 Liquidity Ratios	**6**
	1.2.5 Factors of Liquidity	**7**
1.3	Leverage	
	1.3.1 The Concept of Leverage	**8**
	1.3.2 Types of Leverage	**9**
	1.3.3 Importance of Leverage	**10**
	1.3.4 Factors of Leverage	**11**
	1.3.5 Leverage Ratios	**12**
1.4	Profitability	
	1.4.1 The Concept of Profitability	**15**
	1.4.2 Profit and Profitability	**15**
	1.4.3 Factors of Profitability	**16**
	1.4.4 Measurement Tool of Profitability	**17**
	1.4.5 Importance of Profitability	**19**
	Reference	**20**

1.1 INTRODUCTION

The nation's economy is pulsating through the corporate sector. Its emergence, rise, and fall typically mirror a nation's economic development. It is an administrative and social organization that possesses the overall growth and development of the economy, in addition to being an institution for the maximization of shareholder capital. The practical strategy of survival is one of several goals assigned to a company, and it is thought to be a prerequisite to achieving other goals.

This viewpoint holds that a company's ability to survive depends on building strong commercial foundations rather than just managing to stay afloat. Maintaining cash flow in the face of rising inflationary trends and unpredictable swings in input costs is one of the most important problems facing today's corporate enterprises. Because of a confluence of factors including government rules, competition policies, technology, and market demand, managers need to have strong technical skills in order to maintain the right level of liquidity at the right time and cost. Surprisingly, not as much attention has been given to this important facet of financial management as its counterpart, "Profitability," in terms of research, debate, and discussion.

A company's capital structure is made up of a variety of long-term funding sources. It refers to the ongoing funding of a business and is composed of debt and equity securities. It is made up of shareholders' funds, preference share capital, and long-term debt. Decision concerning the financing of a firm's assets are central in any business, placing the finance manager in a constant dilemma regarding the optimal balance between debt and equity capital for funding the company's assets. Typically, capital structures are created with equity shareholders' interests in mind. The capital structure of a company just shows how well its assets are utilized and financed through various channels. In general, a company's risk is perceived to increase when its debt-to-equity ratio is high; however, several analysts suggest that capital structure has little bearing on risk or profitability.

This essay to explore the intricate between liquidity, leverage, and profitability within the context of selected gems and jewellery companies in India.By delving into the specific challenges and opportunities unique to this industry, the research seeks to contribute valuable insights to financial management practice and foster a deeper understanding of the factors shaping the financial performance of these companies. Though a comprehensive analysis of liquidity and leverage dynamics, the essay endeavors to shed light on the strategic consideration that can enhance the profitability and resilience of gems and jewellery enterprises in the dynamic Indian market.

1.2 LIQUIDITY

1.2.1 The Concept of Liquidity

Liquidity plays an important role of a company. In accounting, liquidity refers to the ease with which an organization can convert its assets into cash or cash equivalents to meet its short-term financial obligations. It is a fundamental idea in financial management that sheds light on how well a business can handle its immediate cash flow requirements. Sort-term liquidity refers to a company's ability to meet its financial obligations and cover its short-term debts within the next accounting year. It focuses on the availability of liquid assets, such as cash and assets that can be quickly converted to cash, to address immediate financial needs. Short-term obligations include liabilities like accounts payable, short-term loans, and other financial commitments that are due within a year. Short-term obligations include liabilities like accounts payable, short-term loans, and other financial commitment that are due within a year.

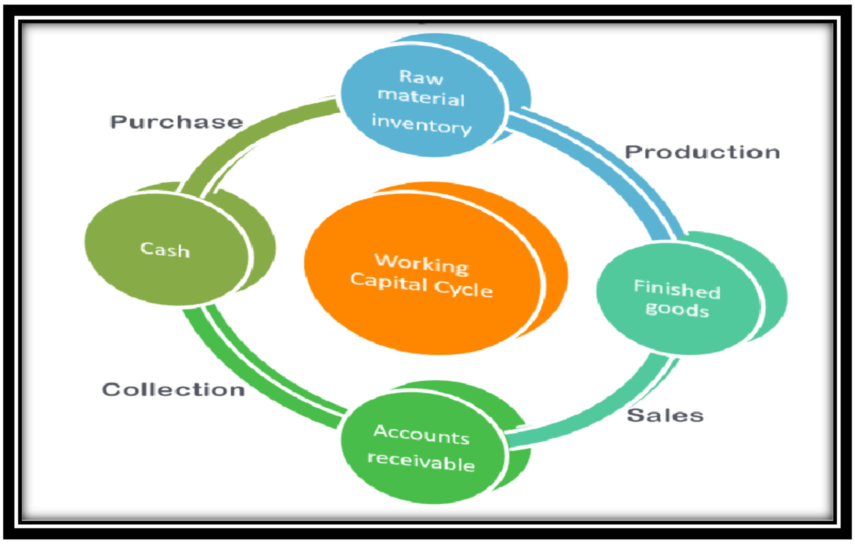
A company that consistently fails to meet its financial Duties to creditors, suppliers, and service providers, resulting in delays or non-payment, may be deemed financially distressed or insolvent. This situation can to the company being labelled as a troubled or financially challenged entity. In extreme cases, if the financial distress persists and the company is unable to recover, it may face insolvency or bankruptcy. In such circumstances, the company may undergo legal proceedings, such as bankruptcy filing, to address its financial difficulties and determine how its assets will be distributed among creditors. So, it's important to strike a fair compromise between the two.

(1) Inventory Concept

This idea of liquidity appears to have started with the notion of total current assets. A company was considered more liquid when it held a substantial amount of current assets. The inventory concept in accounting revolves around the recognition and valuation of a company's goods or products held for sale. It signifies the importance of accurately accounting for the inventory a business possesses to determine its financial health and profitability.

By applying the inventory concept, a company ensures that its financial statements provide a realistic picture of its assets, costs, and ultimately its profitability. This accounting principle helps in assessing the cost of goods sold (COGS), gross profit, and net income, offering valuable insights for effective financial management. The diagram presented in figure 1.1 unmistakably illustrates the working capital cycle.

Chart 1.1 Working Capital Cycle



(Source: www.google.com)

Net working capital and liquidity are sometimes used interchangeably. The American Institute of Certified public Accounts (AICPA) provides a clear definition of working capital, also known as net working capital. According to the AICPA.working capital is the surplus of current assets over current liabilities. This surplus serves as an indicator of the enterprise's liquidity, highlighting the margin or buffer available for meeting manufacturing obligations during the ordinary operating cycle of the business. In simpler terms, working capital signifies the financial flexibility to cover day-to-day operational needs and Duties.

(2) Dynamic concept

In a qualitative sense, liquidity is a characteristic of a firm. The firm's ability to fulfil its maturing debts is referred to as liquidity. Assuming you are referring to accounting, the term "dynamic concept" in accounting can be interpreted in a few ways. The phrase "dynamic concept" in accounting refers to the idea that things are constantly changing and that aaccountants must adapt in order to ensure that the story they tell about a company is correct. Certainly, let's rephrase that sentence to explain liquidity in the context of a qualitative approach:

i. The managerial talent of liquidity refers to the capacity to satisfy all monetary demands, both current and future.

ii. It seems like you've provided a statement related to financial operations and decision-making, but it's not entirely clear what you're looking for.

iii. It has long-lasting dimensions in addition to being a transient event.

1.2.2 Impact of Liquidity

Liquidity, the lifeblood of financial health, exerts profound effects on the stability and flexibility of businesses and individuals alike. Its impact reverberates across various dimensions, shaping the ability to navigate day-to-day operations, respond to unforeseen challenges, and chart a course for long-term growth.

Firstly, liquidity serves as the cornerstone of operational stability. For businesses, it ensures the seamless execution of routine transactions, from meeting payroll obligations to settling bills with suppliers. A robust liquidity position shields against disruptions, fostering a conducive environment for sustained and uninterrupted operations. Conversely, a scarcity of liquidity can introduce vulnerabilities, potentially jeopardizing the fluidity of essential processes.

Financial flexibility, the second ripple effect of liquidity, empowers entities to seize opportunities and weather uncertainties. With liquid assets readily available, businesses can pounce on strategic investments or swiftly adapt to shifting market dynamics. This flexibility is a linchpin for innovation, growth, and resilience, allowing organizations to navigate the ebb and flow of economic landscapes with agility.

Effective debt management emerges as the third dimension of liquidity's impact. Sufficient liquidity ensures timely servicing of debts, preventing the escalation of financial costs through late fees and interest accruals. Conversely, inadequate liquidity may strain debt obligations, potentially leading to financial distress and impinging on an entity's creditworthiness.

Investment capacity, the fourth facet, underscores how liquidity propels strategic initiatives. Whether embarking on research and development ventures or capitalizing on growth opportunities, businesses with ample liquidity are well-positioned to fuel their aspirations. On the flip side, constrained liquidity may stymie investment capabilities, hindering the pursuit of long-term goals.

Fifthly, liquidity acts as a shield against risks, providing a financial buffer during economic downturns or unforeseen adversities. Entities with robust liquidity are better equipped to weather storms, instilling confidence in stakeholders and ensuring a resilient financial posture. Conversely, a lack of liquidity amplifies vulnerability, magnifying the potential fallout from unforeseen challenges.

Market perception, the sixth ripple, underscores the influence of liquidity on how entities are perceived in the financial realm. High liquidity signals financial robustness, garnering Favor from investors and creditors. Conversely, low liquidity may cast shadows of doubt, impacting an entity's reputation and access to favourable financial terms.

Finally, the seventh effect lies in the interplay between liquidity and financing costs. Businesses with strong liquidity positions can negotiate better terms with lenders, potentially securing lower interest rates. Conversely, those grappling with lower liquidity may face higher financing costs, compounding financial challenges.

In essence, liquidity is not merely a financial metric; it is a dynamic force shaping the contours of financial landscapes. Its effects ripple through the operational, strategic, and risk management facets of entities, influencing their ability to withstand challenges, pursue opportunities, and ultimately thrive in the ever-evolving work of finance.

1.2.3 Liquidity, Solvency and Financial Flexibility

In practice, the terms "liquidity" and "solvency" are used synonymous and informally in Australia, the United States, and India. In Australia, companies that consistently settle their debts on time are considered financially healthy, described as solvent. On the flip side, a company is deemed insolvent if it faces challenges in meeting its financial obligations as they become due.

"Liquidity, solvency, and financial flexibility are key facets in evaluating the financial health and stability of a business.

Liquidity: This refers to the ability of a company to convert its assets into cash quickly to meet short-term Duties. A business that has a lot of liquidity is better able to handle unexpected financial difficulties and take advantage of new possibilities while maintaining its overall financial health.

Solvency: Solvency Explores into the long-term financial viability of a company. A solvent business can meet its long-term Duties and has a strong foundation to sustain its operations over an extended period. Assessing solvency provides insights into the company's overall financial health and ability to endure economic challenges.

Financial Flexibility: Financial flexibility encompasses the adaptability of a company to respond to changing economic conditions and business dynamics. A financially flexible business can easily adjust its strategies, allocate resources efficiently, and seize opportunities, enhancing its resilience in the face of uncertainties.

Balancing liquidity, solvency, and financial flexibility is crucial for a well-rounded financial strategy. A company needs to maintain sufficient liquidity for short-term needs, ensure long-term solvency for stability, and possess financial flexibility to navigate the dynamic business environment effectively."

1.2.4 Liquidity Ratios

Certainly! The liquidity ratio, often referred to as the current ratio, is a key financial metric used to assess a company's ability to meet its short-term financial obligations with its available short-term assets. It provides insights into the company's liquidity position and its capacity to cover immediate liabilities. The formula for calculating the liquidity ratio is:

$$Liquidity/current\ Ratio = \frac{Total\ Current\ Assets}{Total\ Current\ Liabilities}$$

Here's a detailed Analysis of the components and interpretation of the liquidity ratio:

(1) Total Current Assets: Current assets are assets that are expected to be converted into cash or used up within one year. They include items such as:

- Cash and cash equivalents
- Accounts receivable
- Inventory
- Short term investments
- Prepaid expenses

1.Total Current Liabilities:

Current liabilities are Accountability that are due within one year and include:

- Accounts payable
- Short term debt
- Accrued expense
- Long term debt
- Other short-term Duties

The ratios that are used to analyse a company's liquidity are listed below:

(1) Current Ratio

(2) Quick Ratio

(3) Absolute Liquidity Ratio

Below is a description of each one:

(1) Current Ratio:

The current ratio is a financial metric that measures a company's ability to cover its short-term liabilities with its short-term assets. It provides insights into the company's liquidity and its capacity to meet its immediate financial obligations. The formula for calculating the current ratio is:

$$\text{Current Ratio} = \frac{Current\ Assets}{Current\ Liabilities}$$

Let's break down the components:

Current Assets: These are assets that a company expects to convert into cash or use up within one year. Common examples include cash, accounts receivable (money owed by customers), inventory, and short-term investments.

Current Liabilities: These are obligations that the company is expected to settle within one year. Examples include accounts payable (money owed to suppliers), short-term debt, and other short-term financial Duties.

(1) Quick Ratio:

The Quick Ratio, also known as the Acid-Test Ratio, is a financial metric that measures a company's ability to meet its short-term obligations with its most liquid assets. It provides a more stringent assessment of liquidity than the current ratio by excluding inventory from the calculation. The formula for the Quick Ratio is:

$$Quick\ Ratio = \frac{current\ Assets\ \ - Inventory}{Current\ Liabilities}$$

Below is an explanation of each element that makes up the Absolute Liquid Ratio.

Current Assets: These are assets that a company expects to convert into cash or use up within one year. Common examples include cash, marketable securities, accounts receivable, and prepaid expenses.

Inventory: While the current ratio includes inventory, the quick ratio excludes it. This is because inventory might not be as easily convertible to cash in the short term, and its value can be subjective.

Current Liability: These are Duties that the company is expected to fulfill within one year. Examples include accounts payable, short-term debt, and other accrued Liability.

(3) Absolute Liquid Ratio: The Absolute Liquid Ratio, also known as the Cash Ratio or the Absolute Liquid Asset Ratio, is a financial metric that assesses a company's ability to cover its short-term obligations with its most liquid assets, particularly cash and cash equivalents. It is an even more conservative measure of liquidity than the Quick Ratio, as it focuses solely on the most liquid assets without considering receivables.

The formula for the Absolute Liquid Ratio is as follows:

$$Absolute\ Liquidity\ Ratio = \frac{Cash\ and\ Cash\ Equivalent}{Current\ Liabilities}$$

Here's a breakdown of the components involved in the Absolute Liquid Ratio:

Cash and cash equivalent: This includes physical currency, demand deposits, and short-term, highly liquid investments that are easily convertible to known amounts of cash. Cash equivalents typically have a maturity period of three months or less.

Current Liability: These are obligations that a company is expected to fulfil within one year, such as accounts payable, short-term debt, and other current Liability.

1.2.5 Factors of Liquidity

process of comparing current assets with current Duties allowed for the determination of liquidity. However, attention has not been drawn to the variables that affect Liquidity.

The following are the most significant elements that impact a firm's liquidity position:

- The quantity and make-up of current liabilities and assets.
- The approach to funding current assets.
- The command over current resources and current duties.
- The type and extent of operations.
- The extent of fixed asset investment.

The liquidity of an enterprise is fundamentally determined by the magnitude and structure of its current assets and current liabilities. An increased allocation of resources to current assets relative to current liabilities results in a corresponding elevation of the current ratio. Quick and other ratios, on the other hand, hinge on the specific makeup of current assets.

The liquidity ratios fluctuate as a result of management of current assets and current liabilities. If current asset investments are not correctly managed, the company may end up with excess liquidity, which could have a negative impact on profitability. Conversely, overly stringent oversight of investments in all forms of current assets could ultimately jeopardize the company's survival due to noncompliance with claims due to cash flow issues.

The current ratio will be higher if a larger portion of the current assets is financed from long-term sources. However, the ratio would decrease if the company relies too heavily on outside funding sources to fund its present assets. Thus, variations in the liquidity ratios are caused by the means of financing current assets.

One of the main reasons for poor liquidity is the way that money is consumed by fixed assets. As this process consumes an increasing portion of the company's total funding, there won't be any Liquidity ratios decline when short-term needs are not met. Therefore, the management's attitude toward dividing up permanent capital between fixed and current assets determines the level of Liquidity.

1.3 LEVERAGE

1.3.1 The Concept of Leverage

The French word lever, which meaning "to raise" or "to enhance," is where the word "leverage" first appeared. Leverage in physics refers to the application of a lever to raise a heavy object with little force. One kind of basic mechanical force that can be applied to an object is a lever. Leverage is a concept that hold a central place in the realms of finance, business, and investment. Basically, it involves the strategic use of borrowed capital or financial instrument to amplify the potential returns of an investment. While leverage can enhance profitability, it Concurrently introduces an element of risk, making it a Discerning and impact full tool that requires careful consideration.

In financial terms, leverage is often expressed as a ratio, comparing the amount of debt or borrowed capital to equity. This ratio provides a quantitative measure of the extent to which an entity relies on borrowed funds.

The advantages of leverage include the potential for amplified returns and strategic expansion. By using borrowed funds, investors and business can control larger positions than their initial capital would allow, potentially leaning to increased profits and enhanced shareholder value. Leverage, when used judiciously, can be a powerful tool for growth and wealth creation.

1.3.2 Types of Leverage

(1) Financial Leverage: “The Existence of debt in a firm’s capital structure is referred to as financial leverage.” Leverage in finance refers to the use of debt to raise equity return. Businesses frequently use financial leverage by taking out loans or issuing bonds to raise capital. They can finance operations or initiatives using this method instead of relying solely on their own funds. Financial leverage can increase earnings, but it also exposes companies to debt-related risks like interest rate changes and payback obligations.

(2) Operating Leverage: Operating leverage is the term for the leverage used in investment activities. The relationship between a company's sales revenue and its operating profitability, or earnings before interest and taxes, or EBIT, is known as operating leverage. Fixed operational costs are the source of operating leverage of a company. Businesses with large fixed expenses, such infrastructure or manufacturing plants, have more operating leverage. This implies that a change in revenue may cause a change in profitability that is proportionately greater. Operating leverage can increase profitability in times of expansion but can also increase losses in times of recession.

(3) Market Leverage: Using financial products such as futures and options to increase the effect of market fluctuations on an investment portfolio is known as market leverage. Market leverage is a tool used by investors and traders to profit from transient price changes. This kind of leverage, nevertheless, also puts investors at risk of higher volatility and quick losses.

1.3.3 Importance of Leverage

A company's finance manager can raise dividends and earnings per share for equity owners by utilizing the notion of leverage. It is impossible to overestimate the significance of leverage in a variety of contexts, most notably in business and finance. Understanding the importance of leverage is critical for both individuals and organizations, as it is a strategic instrument that has both benefits and hazards.

The significance of leverage becomes evident when considering the following points:

- Leverage plays a major influence when making judgments about capital budgeting. It is essential to make sure that the firm's contribution pays for its fixed operational costs when assessing a project's viability.
- One of the most important factors in determining a company's ideal capital structure is leverage.
- This implies that the firm needs a level of operating Leverage that enables it not only to meet fixed costs but also to generate surplus revenue, ensuring the projects overall profitability. Hence, the consideration of leverage becomes a key factor in making informed capital budgeting decisions.
- Leverage is another useful tool for raising a company's profitability. Leverage is a tactic used by businesses to demonstrate superior performance or greater benefits when utilizing fixed-cost assets and fixed-return sources of funding.
- Leverage provides financial flexibility by enabling individual or business to access additional funds without immediately diluting ownership.

- Increased shareholder value can result from carefully used leverage. Companies may benefit from increased returns on invested capital in terms of both stock price and total market valuation.
- Leverage influences both the magnitude and volatility of a company's after-tax-earnings, consequently shaping the overall risk and return profit of the firm. It offers of financing options thought which the company can attain its desired earnings objectives.
- Increased fixed operational costs overall A company's cost structure encourages more operating leverage and operating risk.

1.3.4 Factors of Leverage

Profitability: One established factor that determines leverage is profitability. As a company gets more prosperous, "free cash flow theory states that the firm will have higher leverage level in order to reduce the free rider resources in hands of managers," according to Jensen (1986). Pecking order theory, on the other hand, contends that as a company becomes more prosperous, it can employ internally generated cash for operations, avoiding the need to increase debt and the associated risk and cost of financing.

Development Opportunities: Rajan and Zingales (1995) contend that Development opportunities should be viewed as a metric for growing businesses, since they are more likely to be able to absorb the high costs of financial turmoil and take on less debt. The rationale for this is that businesses with growth potential are more likely than businesses without Development prospects to need to obtain additional capital in order to finance their expansion projects. According to the trade-off theory, there is a negative correlation between growth prospects and leverage, meaning that when one rises, the other tends to fall. On the other hand, the pecking order theory suggests that a company's propensity to increase leverage increases as growth prospects increase, providing evidence for a positive association between the two.

Company size: Generally speaking, a company's size and leverage are directly correlated. The "too big to fail" theory states that a larger company will have more leverage because borrowing will be simpler for it. Therefore, the trade-off theory and the pecking order theory postulate a positive correlation between size (expressed as the log of sales) and leverage. Positive relationships have been reported by Lemmon (2008), Hall (2004), Fama and French (2002), and Degryse (2009).

Objective Reality: Is a widely acknowledged, accurate measure of leverage. Trade-off theory, Rajan and Zingales (1995), and Lemmon (2008) all concur that businesses with physical, safe assets typically have high levels of leverage. By acting as collateral, these assets lower the risk and agency costs associated with debt. It is therefore anticipated, even of startup businesses.

1.3.5 Leverage Ratio

The leverage ratio is a financial metric that assesses the proportion of a company's debt to its equity. It is calculated by dividing the total debt of the company by its equity. The leverage ratio provides insights into the extent to which a company relies on debt for financing its assets and operations.

Mathematically, the leverage ratio is expressed as:

$$Leverage\ Ratio = \frac{Total\ Debt}{Equity}$$

There are mainly three ratios which evaluate the leverage position of any enterprise.

(1) Debt/Liability to Equity Ratio

(2) Interest Coverage Ratio

(3) Debt-Equity Assets Ratio

Below is a description of each one:

(1) Debt/Liability to Equity Ratio

The debt-to-equity ratio is arguably the most well-known financial leverage measure. A company's capital structure and whether it depends more on borrowings (debt) or shareholder money (equity) to fund its assets and operations are indicated by the debt-to-equity ratio. The debt-to-equity ratio is a financial metric that assesses the relationship between a company's total debt and its shareholder equity. It is calculated by dividing the total debt of the company by its equity. This ratio provides insights into the extent to which a company relies on debt to finance its operation and activities compared to the amount contributed by shareholders.

Mathematically, the debt-to-equity ratio is expressed as:

Debt to Equity Ratio = $\frac{Total\ Debt}{Shareholder\ Funds}$

- ❖ Total debt includes long term borrowings as well as short term borrowings.
- ❖ Shareholders' Funds = Equity Share Capital + Preference Share Capital + Reserve andSurplus.

This ratio is used to determine how much capital the owners of a business provide, as well as the amount of asset "cushion" that is available to creditors upon liquidation. The ratio's generally accepted norm is 1:1. In theory, a company's financial circumstances should be stronger if the interests of its owners are greater than those of its creditors. Notably, this ratio is equally significant to the study of the short-term financial status as the current ratio. A greater ratio indicates that creditors other than the company's owners have a stronger claim.

(2) Interest Coverage Ratio

The ability of the company to pay interest and other fixed expenses is shown by this ratio, which is often referred to as the "times interest earned ratio." The ability of a business to manage its outstanding debt is gauged by the interest coverage ratio. The Interest Coverage Ratio (ICR) is a financial metric that measures a company's ability to meet its interest obligations on outstanding debt. It is a solvency ratio that indicates the extent to which a company can cover its interest expenses with its operating income. In other words, it assesses the company's ability to pay interest charges on its debt using its earnings before interest and taxes (EBIT).

The interest coverage ratio can be computed using the following formula:

Interest Coverage Ratio (ICR) = $\frac{EBIT}{Interest\ Expenses}$

- ❖ Earnings Before Interest and Taxes, or EBIT, is a metric used to assess an organization's operational profitability.
- ❖ The interest payments that a business must make on its debt are represented by interest expenses.

This ratio shows how far a company's earnings can decline without putting it in a bad light when it comes to paying interest. How readily a business can pay its interest costs is shown by its interest coverage ratio. Given that it has more earnings available to pay interest, a higher ratio indicates that the corporation is better equipped to satisfy its interest Duties. Conversely, a smaller ratio can be a sign of impending financial stress because the business power finds it hard to pay its interest.

(3) Debt-Equity Assets Ratio

The ratio shows how much debt a company has overall in relation to its assets. Analysts can compare a company's leverage to that of other businesses in the same industry by using this indicator. There appears to be some small misunderstanding in your terminology. When evaluating a company's financial leverage, the Debt-to-Equity Ratio is typically utilized instead of the "Debt-Equity Assets Ratio." But I'll give you the summary on the debt-to-equity ratio; if you were talking about something else, please elaborate.

The Formula is as follows:

$$Debt\ Equity\ Ratio = \frac{Total\ Debt}{Total\ Equity}$$

- ❖ All of a company's Duties, including both short- and long-term debt, are represented by its total debt.
- ❖ After subtracting liabilities, the remaining stake that shareholders have in the company's assets is represented as total equity.

The Debt-to-stock Ratio sheds light on how much of a company's funding is provided by debt as opposed to stock. A high percentage indicates a greater reliance on debt financing by the business, which raises financial risk while also having the potential to maximize rewards. Conversely, a low ratio may imply lesser prospective returns but also a reduced degree of financial risk.

1.4 PROFITABILITY

The key around which all of a business's operations revolve is profit. Every business's primary and ultimate goal is to make a profit. A firm or investment's profitability is determined by its capacity to turn a profit, which is the amount of money left over after all costs have been paid. Profitability is therefore a measure of a company's operational and financial effectiveness. It is a crucial sign of the prosperity and financial stability of a business. Measuring the entire profitability of the gem and jewelry companies is necessary for a comprehensive analysis. Thus, an attempt has been made to assess the profitability using ratios in this chapter.

The company's ability to survive over the long and short terms depends on its profit margin. The company has two goals in mind. A company should strive to achieve both profit maximization and wealth maximization as primary objectives, in conjunction with addressing various social responsibilities. Profit, then, is the primary motivator for any company. The second goal, which is to maximize the wealth of the company's owners, will be fulfilled if the first goal, profit maximization, is accomplished by the business.

1.4.1 The Concept of Profitability

It consists of the term’s "ability" and "profit. “The word "profit" denotes the absolute amount of profit, but an absolute amount by itself cannot accurately convey whether a gain in performance as reported in the enterprise's financial statement is enough or not. The ability of a business to generate profits is reflected in its earnings performance, which is referred to as its "ability." Profits are a necessary condition for the firm to survive. Therefore, it may be concluded that a profitable business is in good health. The capacity of an organization to turn a profit on all of its operations is known as profitability. It shows how well an organization's management uses its available resources to generate profits. Stated differently, the capacity to generate revenue.

"Profitability is the relationship of income to some balance sheet measure which indicates the relative ability to earn income on assets employed," claim Hermenson Edward and Salmonson.Alternatively said, the "earning power" or "operating efficiency" of a certain investment can be used to define profitability. To put it simply, it's the ability of a certain investment to yield returns through use.

1.4.2 Profit and Profitability

When income exceeds expenses, profit is the outcome. Profit is defined as the "Excess of returns over outlay" in the Concise Oxford Dictionary. "Profit is the engine that drives the business enterprise," according to Lord Keynes. When applied broadly, it means that all of society's economic activity is under its purview. The ability to make money is what determines whether a firm survives.

Profit and profitability are closely related, but there is one important distinction. Profitability is a relative concept, whereas profit is an absolute one. This statistic is employed to ascertain the extent of a business's profit in proportion to its size. Efficiency is measured by profitability. Even though a business is turning a profit, it does not always imply profitability. One should gauge a company's profitability to ascertain the true value of an investment in it. In the fields of business and finance, profit and profitability are closely related concepts.

There exist several strategies to boost profitability and overall business expansion in the event that a business is assessed to be lucrative but not profitable. Ensuring a suitable return on invested capital and optimizing operational efficiency are the foremost objectives of any organization. When a company is continuously losing money, the capital that was invested erodes over time, eventually resulting in the company's downfall and closure. To put it simply, the business's survival and continuity are seriously threatened by its persistent failure to turn a profit. Profit, therefore, is the main driver, and management has an obligation to utilize the invested capital fully. Profits are, in fact, a gauge of control and an efficacy test.

1.4.3 Factors of Profitability

A company's profitability is determined by a number of aspects that add up to its overall financial performance and sustainability. These variables include both external circumstances found in the larger business environment and internal aspects of the organization itself. Increasing profitability is one of a company's main priorities. Since profitability, which displays the percentage of profit in relation to equity, sales, or asset investment, is one of the essential components for performance evaluation. Strong profitability has the potential to draw interest from domestic and foreign investors and encourage investment. Profitability is not only a solid benchmark for assessing company performance, but it's also a helpful tool for projecting future business performance. Profitability attracts investors because it represents the wealth of its stockholders. This is the rationale behind the need of discovering various elements in economics, strategic management, accounting, and finance that either directly or indirectly affect profitability as a research topic.

Thus, the researcher assessed the following list of factors that influence profitability:

- The industrial organization economics of a corporation, which takes use of the external market to attain higher returns, is primarily responsible for generating its competitive advantages.
- A company's strategy, which is developed with the external environment in mind, influences the creation of its organizational structure and procedures. This helps the company perform better than its rivals who do not share the same level of strategic fit.
- One could argue that the distinct use of various resources, including people, machinery, and technology, results in profitability.
- Moreover, a variety of external factors, such as governmental and regulatory actions, have an impact on the market framework, which in turn has an impact on the market's structure, behaviour, and overall performance.
- Size has a positive impact on a company's financial performance, improving net profit margin and Return on Assets (ROA) significantly.
- Size has a positive impact on a company's financial performance, improving net profit margin and Return on Assets (ROA) significantly. Increasing and improving financial capital can aid a business in expanding its market share, improving its capacity, and

leveraging its competitive advantages to attain greater profitability. A larger firm can anticipate a greater return rate because it is evident that a larger firm always has more resources than a smaller firm, which leads to a higher output scale.

- According to Alshatti's (2015) research, profitability is positively impacted by the solvency ratio. This is due to the fact that firms might attain a higher degree of financial stability the higher their solvency.
- It will assist the businesses in achieving more financial security and independence. Consequently, the Businesses could increase their output and efficiency and boost their profitability in the process.
- Profitability and liquidity are positively correlated.

1.4.4 Measurement Tools of Profitability

A business's overarching goal is to generate a profit that is commensurate with the capital invested in it, all the while preserving a stable financial position. Profitability serves as a gauge of both managerial effectiveness and financial performance. For a corporate concern, measuring profitability is just as important as making money on its own. Certain managerial decisions, such as raising extra funding, expanding further, and dealing with issues related to bonus and dividend payments, depend on this statistic. Both a short-term and long-term measurement is possible. While profitability in connection to investment is the better measure for the long-term growth of the business, the relationship to sales is a strong short-term indicator of successful growth. Profitability gives a company's overall performance and is a helpful tool for projecting and measuring that success.

Measuring profitability is crucial for determining policy in various contexts. "The most important measurement of a company's profitability is ratio," states Murthy V.S.

A variety of profitability ratios exist that assess profitability from all angles. Every ratio has significance in its own right. For example, gross profit margin can be used to gauge how well cost management is working. To assess a company's overall performance, net profit margin is used.

By looking at the following ratios, the profitability of the gem and jewelry industry has been evaluated:

1) Return on Assets Ratio

2) Return on Investment Ratio

The researcher discusses each ratio as follows:

(1) Return on Assets Ratio

The measure of a company's profitability in relation to its total assets is called return on assets, or ROA. One financial indicator that evaluates a company's capacity to make money off of its assets is the Return on Assets (ROA) ratio. ROA provides insight into a company's efficiency for managers and analysts. The management is making use of its resources to produce revenue. A percentage is used to represent return on assets.

The link between net earnings and the assets used to generate those profits is used to measure this profitability ratio. This ratio calculates the company's profitability based on the assets that are used by the company.

You may find out what profits were made from assets by looking at return on assets (ROA). The return on assets (ROA) of publicly traded corporations varies significantly and is largely industry-specific. Because of this, it is advisable to evaluate ROA against a business's historical ROA figures or against the ROA of a comparable company when using ROA as a comparison metric.

If represented as a formula, it would be:

$$ROI = \frac{Net\ Income}{Avarage\ total\ assets} * 100$$

The return on assets (ROA) ratio shows how much money was made for every rupee of assets. As a result, a company that has a higher return on assets is more likely to be successful and efficient.

(1) Return on Investment Ratio

A financial metric known as the Return on Investment (ROI) ratio compares the gain or loss from an investment to its cost in order to assess how profitable the venture is. A performance metric called return on investment (ROI) is used to compare the effectiveness of several distinct investments or assess how successful an investment is. ROI makes an effort to calculate the exact return on an investment in relation to its cost. The benefit (or return) of an investment is divided by the investment's cost to determine ROI. A percentage is used to express the outcome.

ROI is a widely used metric due to its simplicity and adaptability. ROI aids in an investor's decision-making on whether to accept or reject an investment opportunity. The computation may also serve as a barometer for the current performance of an investment. A positive or negative return on investment (ROI) can provide valuable insight into the investment's worth for the investor.

An investor can distinguish between under performing and performing investments by using a ROI calculation. Investors and portfolio managers might try to maximize their investments with this method.

The following formula is used to calculate return on investment:

$$ROI = \frac{Net\ Gain\ from\ Investment}{Cost\ of\ Investment} * 100$$

The researcher counts the cost of the investment in capital.

An investment should be made if it yields a positive return on investment and there are no better opportunities. When investment benefits outweigh investment expenditures, the ROI is higher.

1.4.5 Importance of profitability

By maximizing profits, profitability analysis enables businesses to take full advantage of the opportunities available to them to maintain their competitive edge and continued success in a highly dynamic and active market. By demonstrating a sincere dedication to supporting your company's expansion while also realizing how crucial cost control is, you can build a solid foundation for your company that will withstand almost any future disaster. That's the kind of thing that a profitability study enables.

Analysis of profitability is particularly helpful and crucial for expanding businesses. Since conditions aren't as steady as they are for a more established organization, profitability analysis can be the difference between a company closing its doors and continuing to operate. It also helps businesses find growth prospects.

Over time, profitability analysis can support a company's growth and help it realize the potential that made it possible for it to begin with.

By giving decision-makers a clearer understanding of the business overall, profitability analysis enables them to develop the best growth plan. If a company's leadership does not know when and where to spur growth, it may suffer from critical failure due to ignorance or inadequate awareness of operational shortcomings. In essence, profitability analysis provides business leadership with the capacity to stabilize the company's current position prior to implementing any expansion plans.

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CHAPTER 2

AN OVERVIEW OF GEMS AND JEWELLERY SECTOR AND SAMPLE PROFILE

(sources: www.google.com)

INDEX

No.	Particular	Page No.
2.1	Introduction	26
2.2	History of Gems and Jewellery Sector	
	2.2.1 History of Gems and Jewellery	27
	2.2.2 History of Gems and Jewellery Sector	29
	2.2.3 Surat: The Diamond Cluster	30
2.3	Global Gems and Jewellery Sector Overview	31
2.4	Indian Gems & Jewellery Sector Overview	33
	2.4.1 Investments/Development	34
	2.4.2 Government Regulations and Policies	34
	2.4.2.1 Chronology of Government Policies and Regulations	35
	2.4.2.2 Government Initiatives	36
2.5	Investment and Recent Development in the Sector	37
2.6	Achievements of Gems and Jewellery Sector	38
2.7	Future Perspective for the Industry	41
2.8	Sample Profile 2.8.1 Rajesh Exports Ltd.	 41
	2.8.2 Pc Jeweller Ltd.	49
	2.8.3 Vaibhav Global Ltd.	49
	2.8.4 Asian Star Co. Ltd.	52

	2.8.5 Renaissance Jewellery Ltd.	**55**
	2.8.6 Thangamayil Jewellery Ltd.	**57**
	2.8.7 Tribhovandas Bhimji Zaveri Ltd.	**60**
	2.8.8 Goldiam International Ltd.	**63**
	2.8.9 Atlas Jewellery India Ltd.	**65**
	2.8.10 Uday Jeweller	**65**
	References	

2.1 INTRODUCTION

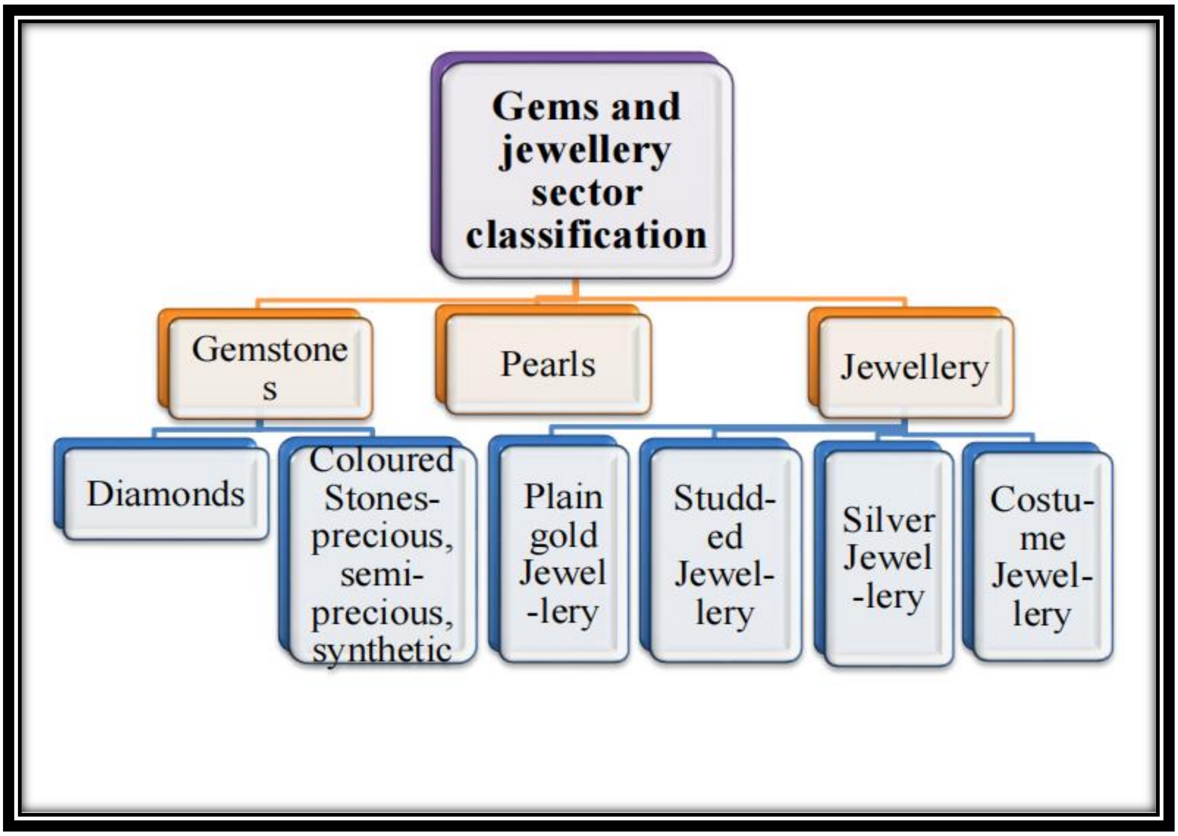
In India, ornaments have long been a part of culture. Since jewellery was in demand and fashionable since the time of the ancient Harappa and Mohen-jo-Daro civilizations, it has been an essential part of Indian culture. The monarchs saw gems as symbols of wealth, status, and power, whose value would nearly always increase rather than decrease. Therefore, jewellery and gems have played a significant role in both aesthetics.

Gems and jewellery are so fascinating to the masses in India that they are important to the country's economy. Being both classically glamorous and artistically modern makes the industry very fascinating. Gems & Jewellery is a significant sector of the Indian economy and the nation's top source of foreign exchange earnings. One of the industries in India that has grown the fastest in recent years is the export of jewellery and diamonds. Its increased worldwide renown is a result of its skilful artisans, its excellent methods for polishing and cutting quality diamonds, and its economical effectiveness. In terms of export revenue, job creation, and economic growth, the gem and jewellery industry plays a significant role in India.

The gemstone and jewellery industry supports 6%–7% of the nation's GDP and employs about 2.5 million people.1. Furthermore, according to data from the Gems and Jewellery Export Promotion Council, 95% of the world's diamonds are exported from India (GJEPC). India not only generates a significant amount of foreign exchange but also consumes the most gold. India is one of the world's biggest importers of gold and has recently accounted for about one-fourth of the yearly worldwide demand for the metal. Currently, 12 of 14
India is where diamonds that are sold worldwide are either polished or cut. As a result, the performance of businesses in this industry is strongly correlated with changes in currency rates and the dynamics of global demand and supply.

In general, it is anticipated that India would become increasingly significant in the global gem and jewellery industry as a result of diamond miners opening up auction houses there and large investments being made in the retail end of the market by both domestic and foreign businesses investors in private equity. Gold and diamond jewellery make up the two main segments of the Indian gem and jewellery industry. The cut and polished diamond market, gold jewellery, and precious and semiprecious stone markets are the three primary segments of the gem and jewellery industry. Nonetheless, the gems and jewellery industry can be further divided into the following sub-industries according to attributes, methods of processing, marketability, and preciousness in terms of price range:

Chart 2.1 Classification of Gems and Jewellery Sector



(Source: www.google.com)

2.2 The History of the Gem and Jewelry Industry

The researcher attempts to shed some light on the history of gems and jewelry before talking about the history of the gem and jewelry industry.

2.1.1 HISTORY OF GEMS AND JEWELLERY

India has been, over the ages, the home of gems and jewellery. The country was the only source of diamonds for over 2000 years, until deposits were discovered in Brazil in 1760.The science of gemology was well developed in India as early as the beginning of the first century. The book “Ratnapariksha” by Buddha Bhatt written at that time describes the teaching syllabic for testing and valuation of precious stones and diamonds. The Ramayana and Mahabharata abound in descriptions of ornaments and the duties of the goldsmiths were defined in the code of Mani. The raja and maharaja liked to possess the most exquisite and the most magnificent pieces of jewellery. Temples and complexes supported many different styles of jewellery scented sandalwood bead necklaces, the prayer bead of the rudraksh (Berry of the Elaeocarpus canitrus) necklaces, multi-colored silk and gold thread necklaces, and other.

The numerous talents needed to create exquisite jewelry, such as combining alloys, molding, drawing fine wires, placing stones, inlay work, relief, drawing gold and silver into thin wires, plating, and gilding, were mastered by Indian jewelers rather early on, according to historical documents.2.The ability of Indian craftsmen and artisans to create elaborate designs in jewelry and to cut and polish diamonds and precious and semi-precious stones was historically highly regarded, and their reputation for excellence in craftsmanship endures to this day. Numerous internationally renowned diamonds, including the Kohinoor, Great Mogul, Great Table, Darya-I-Noor, Taje-Mah, Saney, Orloff, Regent, Florentine, Hope, and many more, are a remarkable testament to India's presence in the history of diamonds. from the South Indian mines close to Golconda.

According to historians, one of the first nations to mine diamonds was India, where the gem was found around the fourth century B.C. Diamonds, also known as vajra, are the Sanskrit word for "adamantine." For hundreds of years, the size and brilliance of India's diamonds made them valuable, but Any stone that was mined in various South/ Southeast Asian countries, such as Borneo (Landak), Golconda, Hindustan, and Raolconda, was referred to as "Indian Diamonds" in a general sense. Unlike kimberlite, the majority of diamond occurrences in Asia were alluvial. The most valuable diamonds in India were referred to as the "diamonds of Golconda," with the Hope Diamond, Kohi-I-Nur, Orlov Diamond, and Sandy Diamond among its most well-known stones. The final great Mughal emperor possessed a magnificent blue diamond known as the Darya-I-Nur (sea of Light), which weighed 186 cats. Up to the "sack of Delhi" in 1979, it was ruled by Emperor Aurangzeb before being pillaged from his successors.

The outward displays of royalty were crucial to the prestige of kings and queens, and their personal jewelry greatly influenced how the public perceived them. As a result, jewelry has been used extensively as ornamentation, a symbol of wealth, and a radiance of the regal persona across the ages.

2.2.2 The History of the Gem and Jewelry Industry

India's gem and jewellery industry has a storied past. The styles and patterns of the Indian Gems & Jewellery sector vary greatly depending on the area.

(Source: www.google.com)

1914 marks the start of the jewelry industry's prosperous period and the start of export commerce. This year saw an upsurge in demand for foreign-sourced stones. In general, the years 1914–1974 A.D. are referred to as the "Period of Prosperity" in this particular sector. Maharaja Man Singh levied a levy of Rs. 1-9-0 per 100 rupees on diamonds in 1937. Naturally, this duty had the worst effects on the jewelry industry. Thus, each jeweler went to the authorities on their own and asked them to reconsider their choice. But nothing useful could come out of it. As a result, in 1928 A.D., they established the "Jewellery Association," with Seth Banji Lal Thalia serving as its first president. As per the recently signed agreement, the organization was given the task of obtaining RS 16,000 from jewelers annually and depositing it into the treasury. This deal satisfied all of the traders. Every year, this amount was adjusted in accordance with the evolving circumstances of the trade. Indian artisans were the first to discover the secrets of diamond cutting, but without the modern additions of faceting and polishing. The majority of Indian diamonds had a flat cut. The Golconda mines in Andhra Pradesh were mined by hand, which is why the majority of the stones were so huge. The 19th century saw the end of the Golconda mines. The glorious Indian Diamond Era came to an end with this, and the Indian diamond processing business was born in the 1960s.

Due to the advancements in synthetic industrial materials, the demand for industrial diamonds worldwide and their subsequent decrease in price throughout the 1960s led to the creation of the Indian diamond processing industry. Then, it was found that certain industrial diamonds might be processed using little labor, and the polished diamonds that are produced can then be used to make jewelry. India stepped up to the plate and created new opportunities for the global diamond industry because to its cheap labor costs. Diamonds could now be made accessible to new, less wealthy consumers. India thereby gained a larger share of this market.

Only the State Bank of India (SBI) and the Minerals and Metals Trading Corporation of India (MMTC) were permitted to import gold prior to the deregulation of the Indian economy in 1991. Large export houses were permitted once the Gold Control Act was repealed in 1992. to openly import gold. Ten percent of produce sold by exporters in export processing zones could be sold on the domestic market. Private investors were given access to the gold and diamond mining industries in 1993, and international investors were permitted to own half the shares in mining projects. In 1997, gold imports into India were permitted for foreign banks and bullion providers. Due to these actions, international companies like DeBeers, Tiffany, and Cartier’s entered the Indian market. Throughout the 1990s, the quantity of retail jewelry outlets in India significantly expanded as a result of the Gold Control Act's repeal. As a result, the jewelry sector became extremely dispersed and disorganized, with an estimated 100,000 workshops supplying more than 350,000 retailers—most of them were family-run, single-location businesses. India accounted for 95% of the world's gold consumption in 2001, with 855 tons consumed annually for jewelry.

2.2.3 SURAT: THE RING OF DIAMONDS

Remarks from a well-known historian serve to demonstrate the significance of Surat in the gemstone business. He states, "Wheat and barley rest on the magnificence of the king of Delhi." On the other hand, the 84-part Gujarati king's Its base is made of pearls and coral beneath him. Surat was one of the biggest cities in Gujarat and a key component of the Mughal Empire at the end of the sixteenth century. Both Surat's trade and significance grew during the seventeenth century. The goods that came through the city were numerous and diverse. Pearls, coral, rubies, diamonds, white sapphires, and the priceless stone were among the items; mugs and other decorations made of cornoliam and agates (mined in the vicinity of Ratanpura, Nimodra, or Limodra); semi-precious stones, jewelry, grains, sugar, opium, indigo fragrances, oil, soaps, furniture, and chintz. For caravans coming from the far-off areas of Chittagong, Bangladesh, and Isfahan, Iran, Surat was the final stop. Ships anchored at Sunwali came from all over the world: East Africa, Arabia, the Persian Gulf, Europe, Southeast Asia, Burma, Bengal, Malabar, Sri Lanka, and so on. There was no shortage of extraordinarily rich merchants in Surat.The East India Company took into consideration a man named Virji Vora, who was a merchant prince. The world's wealthiest trader, he paid between five and 10 lakhs of rupees for each shipment, and his own wealth was extremely cautiously Pudamsi, a different merchant, negotiated a cargo of orient pearls from Iran, estimated to be worth Rs. 10 crores, at an estimated price of Rs. 80 lakhs. It is best to examine Surat's processing industry history in conjunction with that of Navsari, a nearby town. In 1938, the first factory recognized for cutting diamonds was established in Navsari, employing 65 people. At the beginning of the 1970s, Surat, then 35 years old, employed 500 people in roughly 100 units.

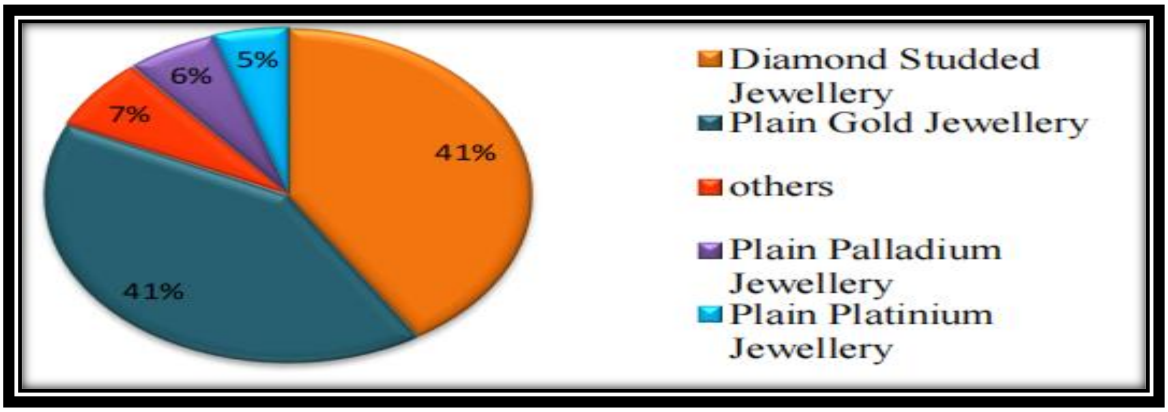
2.3 GLOBAL GEMS AND JEWELLERY SECTOR OVERVIEW

The gems & jewellery market comprises the following segments: -

- Diamond studded jewellery,
- Gold jewellery
- Silver jewellery and45
- Precious and semi-precious gemstones and its jewellery

United States (US) and Japan primarily are markets for diamond studded jewellery, while India, China, Turkey and Middle East have traditionally displayed preference for gold jewellery, although the demand for diamond studded jewellery from these markets too have grown over the last decade.

Chart 2.2 Global Jewellery Demand Mix



(Source: www.google.com)

2015 saw a slowdown in the demand for jewels and jewelry worldwide, which had grown between 2012 and 2014. The demand for diamond-studded jewelry reached a peak of approximately USD 81 billion in 2014, and it was roughly USD 79 billion in 2015. The lethargic nature of Demand for diamond-studded jewelry persisted even in 2016, showing signs of rebound in the mid-year quarters, but declining once more in the first quarter of 2017. The global demand for gold jewellery also reached a seven-year low in 2016. The demand for gold jewellery fell by around 15% year over year to ~2040 tonnes in 2016 from ~2400 tonnes in 2015.

The mainstream jewellery retail market has experienced growth due to the strong demand from middle-class purchasers, who were the primary driver of the 41% increase in US diamond jewellery sales. 41%, 7%, 6%, 5% Global Demand Mix for Jewellery Diamond stud-adorned jewellery Simple Palladium Jewellery Others Simple Gold Jewellery Simple Platinum Earrings 46 sales in the previous few years. Demand from increasingly affluent consumers did not increase at the same rate for high-end jewellery shops.

With over 40% of the global market, the US is by far the largest market for jewellery with diamond accents. Higher real income levels in the US typically correspond to increased demand for luxury goods like watches and diamond jewellery. A rise in net worth has previously had a favorable impact on an individual's buying habits, particularly with regard to luxuries like watches and diamond jewellery. In 2016 and the first quarter of 2017, the US household net worth increased as a result of rising housing costs and rising stock markets. Increased employment if the unemployment rate continues to drop security, which ought to encourage middle-class American consumers' personal purchasing. The current generation's personal spending habits, however, may have changed from prioritizing high-value possessions to experiences like travel and vacations, which may have lessened the positive correlation between rising income levels and rising net worth and the demand for diamond jewelry. The US consumer demand for jewelry in Q1 2017 was less than what the retailers had anticipated, which had an impact on the demand for jewelry globally. Owing to its sizable population and expanding middle class, China remains a significant market for jewellery, both gold and diamond-studded. Purchases made with money that wasn't reported was another motivator. Demand for gold jewellery from China, which includes Hong Kong, makes up around 37% of the market for gold jewellery. However, the government of China's anti-corruption actions have led to lower expenditure and a decline in the GDP growth rate of the country, which could slow down the growth rates of the demand for jewellery in the near to medium term. nation. Furthermore, travelers were being diverted from Hong Kong and Macau to Europe and Japan by more stringent travel regulations and tougher casino control measures. This led to a decline in visitor demand

and a contraction in the diamond-studded jewellery market in Hong Kong and Macau in 2015.Throughout 2016 and the first quarter of 2017, the market for jewellery with diamonds remained stagnant. China's consumption of gold jewellery likewise showed a decrease from 2013 peak levels. Gold jewellery made in China Volume consumption decreased by almost 17%, according to figures from the World Gold Council.words) in 2016 compared to 2015. Additionally, in terms of volume, demand in 2015 was down around 6% from the year before.

In local currency terms, demand for diamond-studded jewelry improved somewhat in 2015 in both Europe and Japan; however, after Brexit, demand from Europe declined.

containing only ~7% of the market, India is a relatively smaller market for jewelry containing diamonds. Nevertheless, it represents approximately 27% of the global gold jewelry market, making it a significant business. In contrast, India's demand for gold jewelry in terms of volume witnessed a ~5% year-over-year gain in 2015, the same showed a ~24% year-over-year fall in 2016. The subsequent cash shortage following demonetization brought an abrupt end to the first gold rush that followed the policy announcement.

2.4 Overview of the Indian Gems and Jewellery Sector

The gem and jewellery industry is a significant contributor to the Indian economy, accounting for 15% of all merchandise exports and roughly 7% of the nation's GDP. Additionally, it has about 4.64 million employees and is anticipated to 8.23 million workers by 2022.The jewelry and gems industry is one of the fastest-growing industries. It requires a lot of labor and is heavily focused on exports. Additionally, the jewelry and gems industry in India has been a major source of foreign exchange earnings for the nation profits (FEEs). 75% of the polished diamonds in the world are exported by India, according to data provided by the Gems and Jewellery Export Promotion Council (GJEPC). At the moment, the Indian government permits 100% FDI (Foreign Direct Investment) in the industry via the automatic method. The Indian Gems & Jewellery (G&J) business has grown in importance throughout the years because to its ability to enhance both investment and beauty. India is currently the world's biggest user of gold, the biggest participant in the diamond cutting industry, and polishing. While a large amount of polished diamonds or completed diamond jewelry is exported, the majority of gold jewelry made in India is consumed domestically. The demand for gold is evenly spread throughout the nation, with regions like Kerala, Tamilnadu, Andhraprades, and Karnataka accounting for about 37% of the total demand. This is followed, at roughly 13%, by the western region. In India, the western and northern regions continue to have a greater demand for diamond-studded jewelry than the southern and eastern regions. which are mostly consumers of gold jewelry marketplaces.

Through the Bureau of Indian Standards (BIS), the government introduced the Hallmarking Scheme to safeguard customers against adulteration and inferior metal quality. As of right now, there are roughly 185 assaying and hallmarking centers, mostly in Tier-1 and Tier-2 cities in India.

2.4.1 Investments/Development

The adoption of a western lifestyle is causing changes in customer tastes in the gem and jewellery sector. Customers are requesting more designs and types of jewelry, and branded retailers are better equipped to meet their evolving needs than the regionally disorganized players. Additionally, since jewelry is a status symbol in India, an increase in per capita income has resulted in an increase in jewelry sales. The Department for Promotion of Industry and Internal Trade (DPIIT) reports that FDI inflows totaling US$ 1.16 billion were made into diamond and gold ornaments between April 2000 and March 2019.

Here is a list of some of the major investments made in this sector:

- At the August 2018 Indian International Jewellery Show, deals totaling Rs 8,000 crore (US$ 1.19 billion) were struck.
- Businesses like Popley and Sons, PC Jewellers, and PNG Jewellers intend to

provide their clients with a virtual reality (VR) experience. The buyer will need to don a virtual reality headset in order to choose any piece of jewellery, study it from various perspectives, and enlarge images to see more detailed designs.

2.4.2 GOVERNMENT REGULATIONS AND POLICIES

Due to the significant number of gold and diamond imports and the high value of the transactions involved, the gem and jewelry industry is vulnerable to money laundering and misuse. Therefore, it is essential that the government

The RBI to monitor the market to guarantee the validity of the transactions and limit sizable speculative trades that could jeopardize the stability of the Indian rupee.

2.4.2.1 Chronology of Government Policies and Regulations

- The Indian government raised the import tax on gold and platinum from 4% to 6% on January 21, 2013.
- May 13, 2013: The RBI placed restrictions on gold imports based on consignment.

- May 27, 2013: The RBI outlawed advances made by NBFCs to be used for the acquisition of gold in any form, including coins, jewelry, bullion, exchange-traded funds (ETF) units, and primary gold.
- The Government of India raised the import tax on gold and platinum from 6% to 8% on June 4, 2013.
- The RBI ordered that all Letters of Credit (LC) for the import of gold under all categories be opened by Nominated Banks/Agencies and that all LCs be opened with 100% cash basis for margin
- **July 22, 2013**: The May and June 2013 guidelines were rescinded.
- Launch of the 20/80 plan: It was mandated that designated banks and organizations guarantee that exporters would have access to twenty percent of the quantity of gold imported. RBI furthermore urged credit card issuers and banks to stop offering the EMI option for online jewelry purchases.
- GoI raised the import tax on gold and platinum from 8% to 10% on August 13, 2013.
- **August 14, 2013**: Following its removal in July 2013, the RBI forbade gold-on-lease once more. ban on the importation of gold medallions and coins. Moreover, orders were issued stating that only jewelers, bullion dealers, and banks would have access to gold engaged in a gold deposit plan following a monetary payment in advance.
- GoI raised the import tax on gold jewelry from 10% to 15% on September 18, 2013.
- **March 19, 2014**: The RBI loosened regulations governing the import of gold, permitting five domestic private banks to do so: HDFC Bank, Axis Bank, Kotak Mahindra Bank, Indusind Bank, and YES Bank.
- On April 1, 2014, the RBI removed limitations on certain foreign mines, allowing advance payments to be used toward rough diamond imports. Banks were permitted to use their own judgment to provide Indian importers with advance payments in exchange for of miners worldwide.
- May 21, 2014: The Director General of Foreign Trade (DGFT) registered Star Trading Houses/Premier Trading Houses (STH/PTH) as nominated agencies, thereby easing further the import restrictions on gold under the 20/80 system.
- May 21, 2014: G&J participants were able to obtain Gold Metal Loans (GML), which made it possible to lease the purchase of gold.
- May 21, 2014: G&J participants were able to obtain Gold Metal Loans (GML), which made it possible to lease the purchase of gold.

- November 28, 2014: The 80/20 import rule was removed.
- Feb. 18, 2015: RBI relaxes ban on banks and trade firms importing gold coins and medallions. RBI permitted banks to lend gold to jewelry retailers.
- The RBI unveils its gold monetization plan on September 15, 2015.
- January 1, 2016: All transactions exceeding Rs. 2 lakhs now require the permanent account number (PAN) to be quoted, according to a central government mandate.
- April 1, 2016: Manufacturers of jewelry are subject to a 1% excise levy imposed by the government.
- July 1, 2017: Gold and precious metals are subject to a 3% GST levy.
- September 9, 2017: The GST rate for rough industrial diamonds, which includes unsorted rough diamonds, is reduced from 3% to 0.25%.
- January 2018: Beginning in January 2018, the Bureau of Indian Standards (BIS) updated the country's gold hallmarking standard. The hallmark for gold jewelry will now include the unit's identification, the BIS mark, purity in carat and fitness, and the jeweler's stamp of identity. The action is intended to guarantee that gold jewelry is inspected for quality.
- September 2019: To free up Rs. 1500cr in operating capital, the Goods and Service Tax (GST) rate was lowered from 5% to 1.5% in jobs involving diamonds.

2.4.2.2 GOVERNMENT INITIATIVES

A number of government measures are driving this sector's growth.

- The BIS mark, purity in carat and fitness, along with the unit's and jeweler's identification marks, will now be included on the hallmark for gold jewelry. The Indian gold hallmarking standard was updated by the Bureau of Indian Standards (BIS) from 2018 January. The action is intended to guarantee that gold jewelry is inspected for quality.
- In order to construct India's largest jewelry park in Ghansoli, Navi Mumbai, the Gems and Jewellery Export Promotion Council (GJEPC) and the Maharashtra Industrial Development Corporation (MIDC) signed a Memorandum of Understanding (MoU). Over 5,000 jewelry units spread across 25 acres of land, varying in size from 500 to 10,000 square feet. The total investment of US$ 2.09 billion, or Rs 13,500 crore,
- Individuals, mutual funds, and trusts can deposit gold with banks under the Gold Monetization Scheme and receive income on their investment.

- An endeavor by the government, business community, and civil society to stop the supply of conflict diamonds—rough diamonds used by rebel organizations to fund wars against legitimate governments—is the Kimberley Process Certification Scheme (KPCS). India has been a member of the KPCS since its founding, and the GJEPC is the coordinating body for KP certification, without which the nation will not be able to import or export rough diamonds.
- The Prevention of Money Laundering (PML) Act has been modified by the Indian government to impose KYC requirements on retail sales of gold and precious stones. For retail purchases above INR50,000, a complete identification verification would be necessary recording.

2.5 RESIDUAL DEVELOPMENT AND INVESTMENT IN THE SECTOR

Retailing

- The Indian division of US private equity (PE) firm Warburg Pincus purchased a minority stake in Kerala-based Kalyan Jewellers for around Rs. 1,200 crore (USD 176 million). Its plans to grow retail and manufacturing are expected to be financed by the profits. Kalyan Jewellers plans to invest roughly Rs. 500 crore (USD 75 million) in 2017 to open 15 more showrooms, bolstering its current expansion in West Asia and the Northern and Eastern regions of India. The company also plans to invest about Rs. 900 crore (USD 133.55 million) over the next three years in international markets, including those in Malaysia, Singapore, and Sri Lanka, in order to expand its reach.
- Joyalukkas plans to invest approximately Rs. 1,500 crore (USD 220.08 million) to open 20 outlets in India and 10 overseas. The new outlets are expected to open in the upcoming year. By doing this, the company's 95 existing retail locations would grow.
- For around Rs. 135 crore (USD 20.28 million), Creador, a PE firm that specializes in long-term investments in growth-oriented firms in Indonesia, India, Malaysia, and Singapore, acquired a minority position in PC Jewellery Limited.
- The technology and entertainment company KSS Limited is venturing into the jewelry selling industry through the use of a franchising model. The firm intends to open roughly 500 stores under the "Bjewelz" brand, which is owned by Birla Jewels Limited, a fully owned subsidiary of KSS Limited. The Bengaluru-based online

jewelry start-up Melorra has received a roughly USD 5 million investment from venture capital firm Lightbox Ventures to aid with talent acquisition, platform development, and brand promotion.

- The largest watch manufacturer in India, Titan Co. Ltd., has teamed with global luxury brand Montblanc International to establish retail operations in the nation. There will be five new Montblanc stores opening in Pune, Hyderabad, Delhi, and Mumbai.
- The ultra-luxury London jeweller Faberge is owned by Gemfields Plc., the world's largest manufacturer of emeralds and rubies, and the company has decided to enter the Indian market. The jeweler plans to sell its products at a few trunk shows targeted at Mumbai and Delhi's ultra-wealthy.

Mining and trading

- To eliminate middlemen in the diamond trade and allow Indian producers to deal directly with miners, major mining companies such as Rio Tinto, De Beers, and Alrosa have chosen to participate in the Indian Diamond Trading Centre (IDTC).

  The Bombay Stock Exchange (BSE) and the India Bullion and Jewellers Association (IBJA) have inked an agreement to establish India's first bullion exchange through a Special Purpose Vehicle (SPV), in which BSE will own 30% and IBJA and its components will own 70%.
- The multinational company Gemfields, with its headquarters in London and a focus on the mining and marketing of colored gemstones, intends to buy color gemstone mines in Jharkhand and Odisha as well as take part in the discovery of Kashmir sapphire.

2.6 Achievements of Gems and Jewellery Sector

The accomplishments of the jewelry and gems sector are categorized into three categories:

1. Policy Initiatives and Investments
2. Infrastructure Development
3. Skill Development

1. Policy Initiatives and Investments

● Fiscal incentives

- To support local manufacturers, the customs levy on the import of imitation jewelry was raised from the current level of 10% to 15% (Budget 2016–17).

- To bring clarification, the Income-tax Act's section 10AA has been revised to set a sunset date of March 31, 2020 for the start of a unit's activity related to manufacturing, production, or providing services of any kind of object or service situated in one of the Special Economic Zones (SEZs) in order to qualify for the section's discount.
- The eligibility threshold for Small Scale Industries (SSI) has been increased from INR 12 crore to INR 15 crore.
- The SSI exemption ceiling is now INR 10 crore instead of INR 6 crore for a fiscal year.
- For lab-grown diamonds, a unique Harmonized Systems Code (HS Code) has been issued. (2016–17 Budget). This would facilitate the development of a fair-trade market for both naturally occurring and lab-grown diamonds.
- The Merchandise Exports from India Scheme (MEIS) and the Interest Equitable Scheme provide incentives for exporters of imitation jewellery.

● Major Investments & FDI Inflows

Equity in jewelry, gold, and diamonds increased from USD 95.17 million in April 2012 to USD 338.72 million in March 2016 due to equity inflows.

Foreign direct investment (FDI) totaling USD 121.21 million was received between April 2016 and December 2016. investment in gold, diamonds, and jewelry.4

The total amount of foreign direct investment (FDI) received by jewelry made of gold and diamonds were USD 895.96 million between April 2000 and March 2017, as reported by the Department of Industrial Policy and Promotion (DIPP).

2. Infrastructure Development

● Special Notified Zone

On December 20, 2015, Bharat Diamond Bourse in Mumbai inaugurated a Special Notice Zone (SNZ) with the goal of making India a global center for diamond training. The establishment of SNZs has guaranteed a consistent supply of direct In addition to saving diamond makers time and effort when they travel to different locations to obtain rough diamonds, having rough diamond readily available within the nation has also reduced intermediaries commissions and, ultimately, expenses.

● Jewellery Park

To encourage the local handicrafters and industries in the Zaveri Bazaar and Dahisar neighborhoods of Mumbai to relocate there and expand their businesses, a jewelry park is being constructed. This will contribute to raising the workers' standard of living. and small-scale producers, as well as enhance the current working conditions for employees.

● Common Facility Centers

In Ahmadabad, Amreli, Visnagar, and Palanpur, the government has sanctioned the establishment of four Common Facility Centers (CFCs) at an estimated cost of INR 16.15 crore. The Centers will offer shared use of cutting-edge machines and equipment at a fair price for each small- and medium-sized diamond maker, enhancing the final product's quality, yield, and productivity. The CFCs will function as a medium for technological transfer and reskilling of current artisans through training in the diamond grading element. The facility will be accessible to 200 small and medium-sized diamond manufacturers in total.

3. Skill Development

- Since its commencement in July 2015, the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) has trained 70,205 individuals, of whom 51,569 have received certification.
- In accordance with PMKVY's Recognition of Prior Learning (RPL) subcomponent, 22,640 craftsmen nationwide have received certification.
- In Varanasi, Uttar Pradesh, the cornerstone for the Indian Institute of Gem & Jewellery's (IIGJ) fifth center was set in December 2016. The locations of the remaining four centers are in Kolkata, New Delhi, Mumbai, and Jaipur. IIGJ provides a number of courses in Jewelry Design, Manufacturing, and CAD, lasting from six months and a year, with a focus on on-the-job training.
- On August 29, 2016, Mallapuram, Kerala became the third Center of Excellence in India to receive GJSCI certification. This Keralan center offers access to cutting-edge facilities and up skills craftsmen through training from certified instructors.
- To close the gap between employers and employees in the industry, GJSCI created an exclusive online job platform (WWW.gjscijobs.com) for the gems and jewellery sector on August 4, 2016.
- The goal of the Gem & Jewellery Skill Council of India (GJSCI) is to produce 310 National Occupational Standards (NOSs), which outline the performance requirements that an individual must fulfill.

2.7 THE INDUSTRY'S FUTURE PERSPECTIVE

- Large stores and brands will grow in the upcoming years, contributing to the sector's growth. Well-known brands are expanding prospects and directing the organized market. Organized participants will offer diversity in terms of various goods and patterns.

- By 2021–2022, online sales are predicted to make up 1%–2% of the fine jewelry market. Also, the industry is probably going to benefit from the lifting of import limitations on gold.
- Branding would keep becoming more important. The percentage of organized jewelry shops, both national and regional, is anticipated to increase.
- In India, the sector already employs about 4.5 million trained and semi-skilled workers, and by 2022, it is anticipated to employ over 8.23 million people.
- It is anticipated that there will be a limited supply of rough diamonds in the future, which will drive up the cost of these stones. It is anticipated that the demand would remain balanced.
- In just three years, Surat will host an international diamond exchange, bringing much-needed organization to the previously disorganized and fragmented diamond polishing and trading sector.
- The Indian Prime Minister, Mr. Narendra Modi, urged the diamond industry in Surat, Gujarat, to step up and elevate India to the top of the Gems and Jewellery Sector by emphasizing Indian design in addition to the Made in India initiative.
- In the short to medium term, jewelers should see volume growth driven by the improvement in availability, the return of inexpensive gold metal loans, and the likelihood of gold prices stabilizing at lower levels. The market for jewelry is anticipated to receive a substantial boost from the recent encouraging changes in the sector

2.8 SAMPLE PROFILE

2.8.1 Rajesh Exports Ltd.

Rajesh Exports Ltd. At a Glance

This company leads the world in the gold industry. At the moment, Rajesh Exports Ltd.'s headquarters are in Bangalore. In India, the NSE and BSE are where REL's securities are listed and traded. Rajesh Exports Ltd.'s activities are conducted all over the world.

The only company in the world having a presence throughout the whole gold value chain, from retailing to refining, is Exports Ltd. With a capability to purify 2400 tons of precious metals annually, the firm is the largest gold refiner in the world. Rajesh Exports has the installed ability to produce 400 tons of world-class gold products annually across all of its manufacturing sites, including the best plain and studded gold products. coins and medallions for jewelry. The firm is the largest gold processor in the world, handling 35 percent of the global gold production. Also, the business is the biggest exporter of items made of gold from India Additionally, REL is the biggest exporter from Switzerland and the United Arab Emirates. Its goods are exported to over 60 countries worldwide, including important gold markets. The business exports its goods to a number of nations. worldwide and provides its goods to the retail and wholesale jewelry markets, as well as bullion banks and central institutions. The world's lowest cost manufacturer of gold jewelry is REL. 83 retail jewelry stores have been established by Rajesh Exports under the SHUBH Jewelers brand. One of the most popular household jewelry brand names in South India is SHUBH Jewelers, which is renowned for the high caliber, stylish designs, and affordable prices of their merchandise.

History of Rajesh Exports Ltd.:

In 1989, Rajesh Exports Limited was established. In the jewelry industry, REL founded India's first research and development center in 1991. In 1995, the company launched its initial public offering (IPO) of securities to finance the expansion of its manufacturing plant. Following one Rajesh Exports Ltd. had effectively carried out the expansion strategy in 1996. Subsequently, the company intended to establish the largest manufacturing plant in the world in 1999; happily, building of the complex was finished in 2002.

In 2003, the business began commercial production at its new manufacturing plant. In 2004, the business won an order from gold worth Rs. 1850 million and acquired an order for export worth a total of Rs. 1090 million. Star-Jeweled. In 2004, Rajesh Exports finished building the second phase of the biggest gold jewelry production facility in the world. In 2005, the company received an order worth Rs. 1320 (million) from Excel Goldsmiths UAE. The company was recognized for its exceptional export performance in the gem and jewelry sector by Karnataka and the Gem and Jewelry Export Promotion Council (GJEPC) for its plain gold jewelry exports during the 2005–06 fiscal year. Bangalore Chamber of Commerce and Industry. In order to advance the company's business, Oyzterbay partnered with it in 2006. Rajesh Exports entered the real estate sector this year. The Federation of Indian Export Organization's Niryat Shree' & Niryat Bandhu' Awards saw the Company win the Gold Trophy. (FIEO) for exceptional achievement in the jewelry and gems industry. Additionally, the business was given the FKCCI Export Excellence Award for 2006–07.

Under the name "Laabh Jewellers," Rajesh Exports Ltd. launched branded national retail chain outlets during 2007. M/s. placed an export order with Rajesh Exports for gold jewellery valued at Rs. 286 crores. May of that year saw Excel Goldsmiths Sharjah open. 2007. In addition to launching nine international diamond brands during the year, the company also introduced "SHUBH JEWELLERS" in 2007–2008. In April 2008, the company placed an order with Kuwait-based Lazorde Jewellery for gold jewellery valued at Rs 5.34 billion.

Sales at Rajesh Exports exceeded USD 4 billion in 2010. The business opened its retail stores in Karnataka in 2012 under the SHUBH Jewellers name. The largest gold refinery in India was established by Rajesh Exports in the state of Uttaranchal in 2013, making the company the sole participant worldwide in the gold value chain. The 80th SHUBH Jewellers showroom was opened by the company in the state of Karnataka in 2014.

The largest gold refinery in the world, Valcambi sa, located in Switzerland, was purchased by Rajesh Exports in 2015 for USD 400 million. One of the biggest and most effective integrated precious metals factories in the world is run by Valcambi, a leader in the refining of precious metals. Balerna in Switzerland. Rajesh Exports' sales exceeded USD 8 billion in 2015.Sales at Rajesh Exports exceeded USD 24 billion in 2016. The company opened the 81st jewelry showroom in the state of Karnataka throughout the year. Rajesh Exports' sales exceeded USD 37 billion in the fiscal year that concluded on March 31, 2017, and the company made it onto the Fortune 500 worldwide list.

Rajesh Exports declared on May 19, 2017, that it had secured a major order of Rs 1140 crore for its products. The order was obtained from a reputable and well-established worldwide while label importer from, surpassing global fulfillment UAE. Rajesh Exports declared on November 2, 2017, that it had secured a significant order of Rs 634 crore for their products. The order was obtained from a reputable and well-established global while label importer from the United Arab Emirates, surpassing global completeness. Rajesh Exports said on December 19, 2017, that it had received an export order of Rs 878 crore from a reputable global white-label importer from the UAE.

A significant export order valued at Rs 873 crore was received by Rajesh Exports on February 15, 2018, from a prominent global white label importer based in the United Arab Emirates.

Mission Statement

Rajesh Exports Ltd. wants to become a global leader in the gold value chain. That is their goal. Right now, they make up the biggest portion of the world's gold market. They would work nonstop to make sure they had a sizable worldwide participate in the whole gold value chain by climbing the value chain and offering investment and gold jewelry of the highest caliber and designs at competitive costs to retail customers worldwide.

Platform

Processing

- The largest gold refiner in the world, Rajesh Exports Ltd., can process over 2400 tons of precious metals annually.
- REL has two refineries: the largest refinery in the world, Valcambi in Switzerland, can process 2000 tons of precious metals, and another plant in the Indian state of Uttarakhand, can refine 400 tons of precious metalsannually.
- Having been in the gold refining business since 1963, Valcambi has created the best and most efficient precious metals refining method available worldwide.
- The Valcambi R&D department has created numerous world-firsts, including the world's first minted gold bar, among other procedures and products. The only refinery in the world producing gold bars entirely using robotics is Valcambi without assistance from anybody.
- In terms of production, acceptance, capacity, and brand value, REL leads the global gold refining industry.
- REL has created a unique method for alloying gold that it uses to make its products

production

- The biggest producer of gold jewelry and gold goods worldwide is REL.
- REL can produce 350 tons of gold jewelry and gold items annually with its combined capabilities. In the fiscal year 2014–15, REL produced about 160 tons of gold jewelry and other items.
- REL has established a number of production sites, the principal ones being in Dubai, United Arab Emirates, and Bangalore and Cochin, India.
- REL is the world's least expensive producer of gold jewelry.
- To achieve the lowest gold waste in jewelry manufacture globally, REL has created novel and cutting-edge gold recovery techniques.
- Handmade jewelry, casting jewelry, machine chains, tube jewelry, studs, and electro-formed jewelry can all be produced at REL's production facilities.
- REL produces jewelry of a worldwide caliber by utilizing a variety of cutting edge technologies, such as lasers and prototypes. Strict quality control procedures are applied to every jewelry piece created in order to guarantee uniformity.

- To meet the needs of the many domestic and international markets, REL produces one of the widest and most diversified ranges of jewelry designs.
- Some of the world's best designs and numerous cutting-edge production techniques have been made possible thanks in large part to REL's research and development unit.

Export

- REL ships gold goods and jewelry from Dubai, India, and Switzerland.
- REL sends its goods to more than 60 nations worldwide, including important gold markets within the globe.
- REL's marketing division frequently introduces new designs and goods to its clientele throughout the world.
- REL maintains a distinct wing to investigate new markets for its products and has been steadily growing its market share in the worldwide export of gold and gold-related items.
- Globally, Valcambi exports its gold bars to the world's largest bullion banks. REL produces gold jewelry, which is exported to significant global wholesalers and white label manufacturers who then provide the goods to the top jewelry companies worldwide.

Wholesale

- REL has established a vast wholesale network in India and the United Arab Emirates, where its wholesale division supplies jewelry shops directly with its merchandise.
- REL provides jewelry to over 5,000 retail establishments in India.
- Also, REL has established a vast wholesale distribution network in the United Arab Emirates that connects all of the country's major cities.
- REL has painstakingly established a nationwide domestic distribution network throughout India.
- With the use of sophisticated technologies, the marketing division keeps a careful eye on the supply and demand trends of the products in each showroom. In close collaboration with the product division, the distribution network offers regular input to improve the current product line and create new items that meet consumer needs.

Retail

- Under the SHUBH Jewellers brand, REL operates a chain of branded retail jewelry stores where it offers gold and diamond jewelry.

- The state of Karnataka in South India is home to the well-known brand SHUBH Jewellers.
- 83 jewelry showrooms are located throughout the state of Karnataka for SHUBH Jewellers.
- SHUBH Jewellers is spearheading India's retail gold revolution with its innovative, ground-breaking, consumer-friendly, and open pricing strategy.
- Some of the most cutting-edge and useful jewelry designs that are appropriate for Indian customers are available at SHUBH Jewellers.
- SHUBH Jewellers offers value for money to Indian customers who are concerned about cost.

Research & Development

- The only business in the world with an advanced R&D facility for gold refining, bar production, and jewelry manufacture is Rajesh Exports Ltd.
- The R&D centers for gold refining and bar manufacturing are in Valcambi, Switzerland, and jewelry manufacturing is based in Bangalore, India.
- Among the numerous world firsts that the Valcambi, Switzerland R&D center is proud of is producing the world's first minted gold bar. The R&D center in Bangalore, India has created numerous exclusive methods for creating jewelry and worldwide designs.
- The R&D centers continuously create innovative designs, giving REL's goods a competitive edge in international marketplaces.
- Some of the best metallurgists, chemists, and designers in the world work at the R&D facility, where they are continuously creating new goods and procedures.

2.8.2 PC Jeweller Ltd.

PC Jeweller ltd. at a Glance

One of the top jewellers in India is PC Jeweller Limited (PCJ). The company offers a broad variety of goods, with a focus on wedding and diamond jewelry among other types of jewelry, gold jewelry, and other jewelry. In As of March 2018, the company operates 75 cities with 92 showrooms. Ten of the showrooms are owned by franchisees, and the rest 82 are held by the corporation.PCJ is home to a variety of collections featuring gold, polki, kundan, and diamond stones. The corporation owned a step-down subsidiary and a non-material subsidiary as of March 31, 2018. companies, specifically PC Jeweller Global DMCC, PC Universal Pvt. Ltd., Transforming Retail Pvt. Ltd., Luxury Products

Trendsetter Pvt. Ltd., and Comercializadora International PC Jeweller International S.A.S. besides the jewelry that is sold through its shops. Through its website, the business also offers gold and diamond jewelry for sale. Additionally, it exports jewelry made of gold and diamonds in bulk to foreign distributors in Hong Kong and Dubai.One of the top jewelry manufacturers in India's organized retail market is PC Jeweler Ltd. The company's operations encompass the production, selling, and import of jewelry. It provides a large selection of goods, such as jewelry made of 100% hallmarked gold, With an emphasis on diamond jewelry and wedding jewelry, certified diamond jewelry is available along with other jewelry items made of silver. Establishing big scale, standalone showrooms at main street sites is the company's business model. Its stores include a large selection of jewelry at all price points, with a growing emphasis on diamond jewelry. The business solely offers hallmarked jewelry as well as jewelry with verified diamonds. PCJ has quickly established itself as a reputable brand thanks to its guarantees of purity and quality as well as its open, customer-friendly procedures.

History of PC Jeweller Ltd.

Under the name P Chand Jewellers Private Limited, PC Jeweller Ltd was founded on April 13, 2005, as a private limited business. Additionally, on October 16, 2007, the company's name was changed to PC Jewellers Private Limited, and PC Jeweller Private restricted on December 9, 2009. A resolution passed by the shareholders on July 5, 2011, changed the name of the company to "PC Jeweller Limited," and on August 2, 2011, the RoC issued a new certificate of incorporation. As a result, the company became a public limited company. The business opened its first showroom in Karol Bagh, New Delhi, in 2005–2006. Following that, in 2008–09, the business modernizes its manufacturing plant, boosting sales with a total of 5 showrooms. In 2010–11: The company establishes seven new showrooms and sets up a new, cutting-edge production plant in Noida, Uttar Pradesh, making significant progress. The company plans to invest a further Rs 225 crore the next quarter for further expansion. In 2013, it paid Rs 175 crore to purchase gold and diamond jewelry supplies for six new retail shops. Transforming Retail Private Limited is a new totally owned subsidiary that the firm created in 2014. In 2015, the business inked an agreement with Blue Nile Inc., a well-known US online jeweler, and opened its First and 54th showroom in Yamuna Nagar.

PC Jeweller opened its online retail store, WearYourShine.com, in 2014–2015. PC Jeweller opened its 60th showroom in Udaipur, Rajasthan, in 2015–16. PC Jeweller opened its 75th showroom in Alwar, Rajasthan, in 2016–17.

Bollywood actors Akshay Kumar and his wife Twinkle Khanna were appointed brand ambassadors for PC Jeweller on October 9, 2017. The brand's affiliation with them aligns with its upcoming pan-Indian expansion strategy.

In order to sustain its growth, PC Jeweller opened its 93rd showroom in Basheerbagh Hyderabad (Telangana) in 2017–18. In March 2018, PC Jeweller introduced a whole new line of wedding jewelry called "Lal Quila." This selection of jewelry uses a special manufacturing process from Japan.

At its meeting on July 13, 2018, the PC Jeweller Board of Directors agreed to immediately cancel the share buyback offer because the company's bankers had not yet provided the necessary No Objection Certificate. The bankers were grateful. the company's adherence to its promise, made at the time of the announcement of annual results, to lower interest costs and bank exposure.

Table No.: 2.1 Area of Operations

Format	Operational Area
Big Format Showrooms	high-street venues to serve wealthy and upper-middle-class patrons
Smaller Format Showrooms	Target middle-class and lower-middle-class consumers in the smaller marketplaces in the cities where the company operates high-street large-format showrooms.
Specialized Lounges	Dedicated lounges for high-net-worth individuals at specific dealerships.
Dealership Showrooms	showrooms in places ranked II and III.
Web-Based Interface	Lightweight jewelry suitable for daily wear to appeal to youthful clients and professional ladies.
Jewels by Flexier	A distinctive detachable necklace designed to satisfy budget-conscious clients who demand more for less money.

(source: www.pcjeweller.com)

2.8.3 Vaibhav Global Ltd.

Vaibhav Global Ltd. At a Glance

With activities in five nations, Vaibhav Gems Limited is a professionally run, end-to-end, vertically integrated fine jewelry multinational of Indian descent. The public limited company Vaibhav Gems is listed on the BSE and NSE. Among Vaibhav Global Ltd.'s headquarters are in Jaipur, India. The company is in the jewelry and stones industry. It works with a variety of precious and semi-precious stones, including fire opal, apatite, emerald, and others. The Wholesale Business is one of the company's single business segments. The company sells jewelry, chains, and gemstones and diamonds. It produces semi-precious stones, including tanzanite. Red garnet, amethyst, aquamarine, citrine, pink tourmaline garnet, iolite, peridot, tsavorite, and precious stones like ruby, emerald, blue, and yellow sapphires. It exports diamonds, colored gemstones, and jewelry set with gold studs. The Company has facilities in Mumbai and Jaipur. In the US and the UK, Vaibhav Gems Limited runs television marketing channels that offer jewelry for sale around the clock. Respected for providing great value, affordable prices, and high-quality products, VGL offers a superior consumer value proposition. Social media, e-commerce sites, marketplaces, and home shopping TV are used to advertise these products. In India, VGL is traded on the BSE and NSE.

History of Vaibhav Global Ltd.

In 1989, Vaibhav Gems Limited (VGL) was established in Jaipur, India. VGL was first a maker of gemstones. As a forward integration, the firm launched an initial public offering (IPO) in 1996–1997 with the goal of creating a top-notch jewelry production unit for export of gold jewelry set with gems. In 1997, the company established its first location in Jaipur's Adarsh Nagar.

The company opened a brand-new, 100% export-oriented unit in the Export Promotion Industrial Area in Sitapura, Jaipur, in 1999. The business established a micro-weight gold chain manufacturing facility in Italy in 2002.

April 2006 saw VGL enter the UK's electronic retail market, launching a live TV shopping channel and e-commerce operations in an effort to further integrate. London's The Jewellery Channel Ltd. Given the model's success, VGL launched another TV Channel for shopping and online storefront. US market to be served by Austin, Texas-based Liquidation Channel. With the help of this vertical business strategy, VGL was able to provide clients with unmatched values and quickly gain market share in the UK and the USA. At the moment, The Jewellery Channel UK is available to around 30 million households in the UK, and The Liquidation Channel is available to about 55 million households in the US.

Reputable private equity fund Nalanda India Fund Limited made an approximate USD 25 million investment in the company on October 12, 2007. For the fifteenth and twelfth times in a row, the company has won the highest Export Award (Colored Gemstone Category) in order.

As of right now, the company is among the biggest exporters of jewelry with stones and colorful gemstones from India. The company in Gem has been given the 'Emerging India Award 2006' by CNBC Country, the most reputable business news program.and the category of jewelry. For the third consecutive year, VGL has made the short list for the ICSI National Corporate Governance Award in Recognition of its adoption of sound corporate governance principles.

It had eight subsidiaries and seven step-down subsidiaries as of March 31, 2010. Its Sitapura Industrial Area manufacturing facility has an ISO 9001:2008 certification. Currently, the VGL Group employs 1146 proud, committed workers throughout its businesses in USA, UK, China, Thailand, and India.

The Rajasthani government awarded the company the Rajasthan State award in 2011–12 in recognition of its export excellence in 2008–09. Then, Vaibhav Gems became Vaibhav Global Ltd. in 2012–2013. This year, the business additionally introduced a line of lifestyle goods, including purses, watches, scarves, and phone covers. and the business was granted the Gems and Jewellery Export Promotion Council's "India Gem & Jewellery Awards 2013" in the "Silver Jewellery" category.

The Company withdrew from the Corporate Debt Restructuring System in 2013–14 on June 20th, 2013, after making the required payment on March 31st, 2013. This year, a facility for conducting business operations in Mumbai was constructed in the Bandra-Kurla Complex. expanding the SEEPZ office in Andheri.

In SEZ II, which was created by RIICO in July 2014, VGL acquired 64,000 square feet of land in 2014–2015 and was granted a Letter of Permission (LOP) to open a manufacturing facility in SEZ phase II.

In 2015–16, the company was ranked 3rd among Wealth Creators based on a 3-year compound annual growth rate (CAGR) in market capitalization, 4th among Wealth

Creators based on a 5-year CAGR, and 234th based on revenue by Fortune India: The following 500. Operations of a corporation began at 1,00,000 square feet in 2016–17. A "Gold Level" LEED-certified building located in SEZ-II Jaipur. As a result, VGL can now produce twice as much.

In 2017–18, the Quality Texas Foundation recognized Vaibhav Global's US subsidiary, Shop LC, as a Commitment Level Recipient. Vaibhav Global also rose to 162nd place in Fortune India's Next 500 list.

The VGL Philosophy:

With the goal of creating a widely regarded brand in discount electronic retailing They have always strived to provide beautifully designed products of amazing quality at an extraordinary value that surpass their clients' expectations in the fashion jewelry and lifestyle accessories categories. The company's mission is to "be the value leader in Electronic Jewelry and Lifestyle Product Retailing. The company's mission is to make everyone happy. The company's objective is to feed one million underprivileged children daily by the year 'FY31' through its one-for-one meal program, which involves purchasing feeds.

Production sites for VGL

Vaibhav Global Limited has some of the greatest manufacturing facilities in the world. The following is a description of the many kinds of facilities:

Jewelry Production

The VGL jewelry production facility occupies 1,47,000 square feet (1,15,000 square feet (SEZ) and 32,000 square feet (EOU). There are currently about 800 employees and over 1200 highly skilled individuals working in the jewelry manufacturing section. Mumbai is home to a production and sourcing hub for diamond jewellery.

Gemstone Manufacturing

The VGL gemstone manufacturing facility occupies about 20,000 square feet.

The production of gemstones currently employs around 350 professional individuals.

Development of Products

More than 130 talented artisans and designers skillfully create new jewelry designs and samples. The most recent CAD/CAM software has been used to achieve design precision and shorten turnaround times. The sourcing of lifestyle products is managed from Jaipur.

2.8.4 Asian Star Co. Ltd.

Asian Star Co. Ltd. At a Glance

Asian Star Company Limited is a prominent global diamantaire, having been founded in 1971. In 1996, it debuted on the Bombay Stock Exchange. Their line of work includes retailing, making jewelry, and producing diamonds. As a member of the top diamantaires in the world, they have a completely managed supply chain from the mines to the market and are highly regarded by major international brands and retailers for their moral business conduct. Asian Star Ltd. is a well-known jewelry manufacturer in India. Asian Star Jewels provides top-notch diamond jewelry to its international clients via an extensive marketing network that reaches key diamond hubs worldwide. Asian Star Ltd.'s reputation for constantly producing exceptional goods innovation has been created by their professional management and strong vertically integrated supply chain. in procedures and designs, as well as flawless service standards. The company operates its processing facilities in Thala (Chikhli) in Gujarat, Mandvi and Gopipura in Surat, and Goregaon Mumbai. It also hires contractors in Surat and Bombay to complete jobs on a job-by-job basis.

Chicago, New York, Antwerp, Dubai, Shanghai, Hong Kong, Bangkok, and Singapore are just a few of the world's main diamond trading and consumption hubs where the company has a strong global presence and an extensive marketing network. In the company has solidified its position as one of the most reliable diamond companies over the course of more than 40 years.

History of Asian Star Ltd.

Asian Star Company was incorporated in November 1971 as a partnership entity. In March 1995, it was made public. In March of 1995, the company received a Certificate of Commencement of Business. Heading the business is Dinesh Shah Tarachand. Vipul Shah, Arvind Tarachand Shah Dharmesh Shah are the other promoters. Its primary operations include importing raw diamonds, cleaning, cutting, and exporting polished and cut diamonds. Based on its success, it was granted sight ownership by Diamond Trading Company (DTC) in January 1993. 2670000 Equity shares, valued at Rs 10 apiece, were made available to the public by the firm for a cash premium of Rs 65. to Rs 2002.50 lakh, with the main goal being to raise the operational capital needed for the company's diamond processing and exporting industry.

The firm moved forward with an initial public offering of Rs. 20 crores in 1996 and was listed on the Bombay Stock Exchange. The company received an ISO 9002 certificate for its quality system from RWTUV, Germany, in 1998. In 2000, Asian Star Ltd. began selling jewelry production activities for global markets.

The company expanded its jewelry activities and bought an equity position in the domestic brand "Carbon" in 2004. This year, Asian Star Jewellery launched jewelry stores in Hyderabad and established production activities for the home market.

Bangalore. In 2005, Asian Star Jewellery opened flagship stores for the "Carbon" brand in Bangalore and Delhi, as well as a branch in Chennai. The company opened its flagship stores for the "Carbon" brand in Ghaziabad, Hyderabad, and Mumbai in 2006. Asian Star Jewellery expanded its diamond processing facility in Surat to 65,000 square feet in 2007 and opened outlets in Delhi, Chandigarh, and Ahmedabad.

The business launched its retail endeavor, Shagun Jewels, in 2008 and set up shop in Hyderabad. The business purchased more space at SEEPZ for its global jewelry activities and established Inter Gem, a wholly-owned subsidiary in Dubai. DMCC

In 2010, the company established a new jewelry manufacturing facility in Hosur, Tamil Nadu, and increased the production capacity of its domestic jewelry division by 50%. Asian Star Jewellery launched a couture diamond boutique at an old factory in Mumbai in 2011. IIn 2012, the business joined the Responsible Jewellery Council (RJC) as a commercial member.

The company signed long-term rough supply agreements with Rio Tinto, Alrosa, and Dominion Diamond in 2015; in 2016, it approved the Manufacturer of Canada Mark and Australian Diamonds. The business authorized the program participant in 2021 of the Origin Code for De Beers.

Infrastructure

Their group of knowledgeable and proficient craftspeople demonstrates the highest level of craftsmanship in creating the best polished items out of raw diamonds. its highly developed manufacturing 100,000 square feet in size and employs more than 800 professional workers in Surat, India.

Our infrastructure is elevated to a world-class level by wide-area network computerization, online manufacturing processes, and an environmentally friendly atmosphere. Every procedure adheres to strict quality standards, and our management systems are TUV NORD-certified to ISO 9001: 2015.

Product Selection

Given Asian Star's proficiency in producing polished diamonds, a wide choice of products in different sizes, shapes, colors, and purity levels are guaranteed.

Their manufacturing staff is especially suited to handle the challenges of diamond cutting today because they have 50 years of experience in the field. They are able to provide their clients with the finest value and maximum yield thanks to their expertise, the newest technology, and the largest selection of raw diamonds.

Services

Their industry knowledge and history of providing only the finest in product styling, production methods, pricing, and quality have built their reputation as a business that values its customers.

Retailing

COUTURE JEWELRY BOUTIQUE

Their ex-factory in Mumbai serves only high net worth individuals. clients. In addition to providing a large selection of prat diamond jewelry, they also take on bespoke orders and offer advice on jewelry design for special events. The vast and opulent store captivates jewelry enthusiasts with an amazing assortment of studded jewelry for every occasion.

2.8.5 Renaissance Jewellery Ltd.

Renaissance Jewellery Ltd. At a Glance

Renaissance Global Limited (RGL), a highly distinctive premium lifestyle products company, is headed by Mr. Sumit Shah, Vice Chairman. The company creates, produces, and markets gold jewelry with and without stones. Renaissance has activities in the US, Asia Pacific, Europe, and the Middle East. The company creates and produces high-quality products for its clients while embracing the most recent fashion trends in the sector. The Company owns the intellectual property associated with the designs.

Renaissance Global is a luxury lifestyle products firm that stands apart from the competition. They hold licenses for two well-known international brands: Disney and Hallmark.Renaissance is making a big effort to promote product innovation through its research and development. The company's 25-person research and development team has created a number of patented goods. Approximately 5,000 square feet set aside for research and Products for worldwide design firms are always evolving at the development facility. Currently, your business holds more than 100 copyrights and patents worldwide.

Renaissance employs a highly skilled team and operates cutting edge manufacturing facilities.

History of Renaissance Jewellery Ltd.

The company was first established as Mayur Gem and Jewellery Export Private Limited on December 4, 1989, and its primary business was the production of jewelry. The initial two are Mr. Chandrakant Dhanak and Mrs. Darshana Dhanak. supporters of the business. Mr. Niranjan A. Shah and his family bought all of Mayur Gem & Jewellery Export Private Limited's shares in 1995.

The Company's name was changed from Mayur Gem & Jewellery Export Private Limited to Renaissance Gem & Jewellery Export Private Limited with effect from April 16th, 1997. restricted. Sur Style Jewellery Private Limited, often known as "Sur Style," which manufactured and exported studded jewelry, amalgamated with the corporation on April 1st, 1998.

The company was renamed Renaissance Jewellery Limited and transitioned from a private limited company to a public limited corporation on December 20, 2005.

The company's primary concentration is on international markets, especially the USA, and it manufactures and sells jewelry with stones set in gold, platinum, and silver. Additionally, retail locations run by Renaissance Retail Venture Private Limited (RRVPL), a subsidiary company, have advertised studded jewelry products Three manufacturing facilities have been used by the company to operate: two are situated in the SEEPZ-SEZ in Mumbai, and one is a 100% EOU facility in Bhavnagar, Gujarat. In addition, Renaissance Retail Venture Private Limited maintains a manufacturing plant at MIDC Andheri to serve the local retail industry. Verigold Fine Mumbai's SEEPZ-SEZ is home to Jewellery Private Limited's (Subsidiary) studded jewellery manufacturing facility. The two businesses are fully owned subsidiaries of the corporation.

The company's top line surpasses 500 crores in 2008. Additionally, the business was recognized as the largest exporter of studded precious metal jewelry with the GJEPC Award. In the United Kingdom, Verigold Jewellery Ltd. was established in 2009 by Renaissance Jewellery Ltd. This year, the additionally established a Renaissance Foundation. In 2011, the business established Renaissance Jewellery Bangladesh Pvt. Ltd. and acquired N. Kumar Diamond Exports Ltd. and its fully owned subsidiaries. The business was recognized this year with the GJEPC Award for being the biggest exporter of jewelry made of precious metal studs. Renaissance Jewellery Ltd. established Renaissance Jewellery DMCC, a Verigold subsidiary, in 2016. DMCC Jewels, located in Dubai.

In 2018, the business purchased Jay Gems Inc. USA. The company signed a deal in 2020 to market and sell their Enchanted Disney Fine Jewellery in mainland China with Lao Feng Xiang (LFX), one of the biggest Chinese jewelry shops. The Enchanted Disney Fine Jewellery Direct to Consumer website was launched in China.

production

The company's state-of-the-art production processes provide high-quality craftsmanship to support its innovative and modern designs. The production plant is 1,66,000 square feet. acreage, split up into 8 sections, and has around 2,900 highly qualified individuals working for it.

Creativity and Design

The company's large global operations and high-end designs enable it to quickly adjust to shifting market trends. 150 design artists work for them as a team. Along with Because of their investment in cutting-edge technology and skilled labor, they are able to produce more than 1,000 original designs per month.

Operations

The company operates eight production facilities in Dubai, Bhavnagar, and Mumbai. A customized ERP system is used to handle all of the processes, enabling it to efficiently oversee the production process, from inventory control to guaranteeing prompt dispatches, incorporating an online order tracking tool.

Technology

The business uses CNC and other contemporary technologies in its manufacturing facilities. 3D printing, mass finishing, and machining. It has made large investments in equipment to find any Lab Grown Diamonds in the supply chain.

Quality

A company's policy is to produce goods that satisfy international product quality standards. It has tried-and-true, well-documented quality systems and qualities controls enacted.

Optimal Business Methods

Renaissance Global Limited is dedicated to upholding top business standards in all aspects of its operations. The business guarantees adherence to all legal requirements and laws in the countries where it conducts business. The company's corporate policy envisions upholding immaculate design standards and unwavering quality while upholding business ethics. Renaissance Global Limited has a rigorous human rights policy to prevent and address any instances of human rights breaches in its offices. The company is adamantly opposed to violating people's rights. It also values minimizing the carbon imprint left by its manufacturing processes and safeguarding the environment.

2.8.6 Thangamayil Jewellery Ltd.

Thangamayil Jewellery Ltd. At a Glance

With its headquarters located in Madurai, Thangamayil Jewellery Limited (TMJL) is a chain of retail jewelry showrooms that operates throughout the state of Tamil Nadu, offering a comprehensive selection of fine gold, silver, diamond, and platinum jewelry in one convenient location. standing firmly in place Over the last sixty years, Thangamayil has gained recognition in the industry and among its clientele for being the first to sell BIS 916 hallmarked gold. The company provides a diverse range of decorations to its clients, spanning multiple product categories. Moreover, Thangamayil provides a variety of savings plans designed to meet the unique requirements of clients who want to make long-term investments in gold jewelry. The company is recognized as one of India's fastest-growing retail chain jewellers, having a total showroom area of over 40,000 square feet.

They offer a wide range of jewelry, including bracelets, necklaces, bangles, ear studs, nose rings, waist belts, kasu malai, finger rings, and other products that suit the clients' preferences. The business was founded and is among the oldest retailers. clientele that exceeds 100,000 individuals. The decorations are produced at the company's facility close to Madurai and are built to order in accordance with the customer's precise specifications.Additionally, the ready-made gold jewels are purchased from different dealers in the states of Andhra Pradesh, Gujarat, Kerala, and West Bengal based on the patterns, models, and market demand for the products to be sold at the counters.The company ran an awareness campaign to convey the concept of Hallmarking to clients in the market it serves, as well as introducing the technique for the first time in Madurai. Their showroom is located on Madurai's Netaji Road.

The business had adopted the e-commerce trend of the day, gaining traction in what is today regarded as a cutting-edge global trend for retail operations. Today, a quick, safe, and very accessible web portal acts as a gateway to the thousands of products available at their physical stores, converting the excellent customer service provided in-store into a stylish and eye-catching online user experience. TMJL has reacted to the growth of e-commerce by showcasing and implementing impressive technical achievements and enabling clients to buy jewellery online around-the-clock from the comforts of their own homes.

History of Thangamayil Jewellery Ltd.

Under the name Thangamayil Jewellery Pvt Ltd, Thangamayil Jewellery Ltd was established as a private limited company in 2000. Before the establishment of the company's proprietors conducted business as a partnership firm under the name Balu Jewellery.

The company has been involved in the production and sale of jewelry since 1984. The company bought a gold assaying machine in May 2001 so that it could use laser technology to guarantee the purity of gold ornaments. June 2001 saw the opening of the business's exclusive shop in Madurai offering diamonds and other precious stones. The business received a BIS hallmarking license in August 2001.

In May 2003, the World Gold Council assisted the company in launching the 'Akshya Thritiyai' idea, which contributed to a significant breakthrough in the gold jewelry market. They registered "Thangamayil" as a trademark in January of 2006.

In accordance with the agreement dated August 31, 2007, the company purchased Thangamayil Gold and Diamond Pvt Ltd's operations during the 2007–08 fiscal year. In accordance with the business transfer, they assumed control of Silvears Jewellery Pvt Ltd's operations in 2008–09. agreement signed on August 1, 2008. The company established showrooms in Rajapalayam Karaikudi and Ramanathpuram in 2008–09. In November 2009, they also inaugurated a showroom in Dindigul.

In 2010, the firm floated its first equity shares, which were listed on the National Stock Exchange (NSE) Limited and the Bombay Stock Exchange (BSE) Limited. In the 2019–20 fiscal year, 13 Thangamayil Plus new locations were launched to encourage the expansion and development of businesses, leading to the chain's 50th showroom.

The company now has 37 Thangamayil showrooms and 13 Thangamayil Plus Exclusive Silver Showrooms, totaling 43,500 square feet in space. Currently, Thangamayil is proud to have a number of stockholders, including SBI mutual funds Within its fold is the Magnum Balanced Fund.

Vision

- Upholding Strict Quality Standards in Manufacturing, Processing, and Procurement

- upholding the greatest standards of morality, reliability, security, safety, and social responsibility
- Using cutting-edge technology, design, and process innovation to reduce costs and increase efficiency,
- to offer good value for the money fostering an excellent culture in administration, manufacturing, and customer service.
- establishing a first-rate workplace environment with the goal of raising employee satisfaction.

Mission

Thangamayil Jewellery Limited's goal in operating is to facilitate the production of wealth for its clients and other stakeholders, including shareholders, staff members, and vendors, etc.

- By offering reliable jewelry,
- maintaining a strict standard of quality,
- being adaptable in addressing the wide range of market demands,
- Providing it with a first-rate shopping encounter, and
- through providing genuine services.

Highlights of the business

The promoters firmly think that in order to thrive in the South Indian market, a reputable jewelry retailer needs to have the following attributes: flawless quality and beautiful variety, top-notch customer support, competitive pricing, and exchange value assurance. attributes that TMJL has had since its founding and are deeply embedded.

Quality

TMJL was the driving force behind Madurai's quality revolution, educating clients about BIS 916 Hallmark and other government-certified quality components. It was one as well. one of the first establishments to provide exclusively 916-hallmarked jewelry for sale. The business also installed advanced equipment to measure jewelry's carat value and quality precisely. The measures are tamper-proof and scientific, providing the purchaser with a guarantee on the quality of the jewelry being sold.

Provision of services

Quality and variety are taken care of, and the company concentrates on giving its consumers the greatest possible gold shopping experience. elements like the store's location, Accessibility, atmosphere, employee development, and other factors are prioritized in order to provide the highest level of client satisfaction.

Additionally, the business offers inter-showroom services including exchange facilities and jewelry maintenance for customers at any of its branches.

2.8.7 Tribhovandas Bhimji Zaveri Ltd.

Tribhovandas Bhimji Zaveri Ltd. At a Glance

Brand TBZ The Original is highly sought after because to its reputation for pioneering designs, exceptional craftsmanship, and over 156 years of trust. Their name is widely associated with wedding and celebratory jewelry. and joyful events in addition to everyday wear for young Indians who want aspirational jewelry and have electrifying tastes. Their timeless selection of exquisitely crafted items perfectly captures the essence of grace, elegance, and femininity. It has made a name for itself by being motivated by its history and upholding the principles of reliability, excellence, and workmanship that it has inherited. It has led the way in creating both modern and classic collections, and it is pioneers, establishing standards of excellence in everything we do.

Every item of TBZ jewelry is backed by a repurchase guarantee. The business is the first in India to offer lifetime buybacks on gold and diamond jewelry, promote the idea of lightweight precious jewelry, and give certified solitaire diamonds and present 22-karat gold jewelry that is 100% BIS hallmarked. Its emphasis on innovation is also evident in the entire professional working. environment of the company and is seen in the high standards of corporate governance, reporting transparency, and moral business conduct that the organization upholds. In order to produce goods that fit the newest trends and customer preferences, the company makes use of its strong staff of talented designers, expert workmanship, current research, and computer-aided design. Being a retailer, the business is centered on converting foot traffic into share of wallet. As of March 31, 2018, the company operated in 26 locations across 11 Indian states, occupying 1,10666 square feet of retail space. There are five "franchise owned, franchisee operated" businesses among a total of 37 showrooms.

The company's main products are jewelry made of gold and diamonds. In addition, it sells various goods including jadau and platinum jewelry. Their items are designed and manufactured internally or by outside vendors. Every one of their Dealerships operate under the 'Tribhovandas Bhimji Zaveri' brand. To accommodate different regional tastes, the company provides a large assortment of jewelry to its consumers from all around India. Additionally, they sell jewelry from around the globe, including Turkey, Italy, and Thailand. Additionally, they make jewelry to order. They cater to a variety of budgets with their jewelry offerings in order to reach as many people as possible. Modern production facilities are owned by the corporation and located in Kandivali, Mumbai. It can refine 4000 kg of gold, make 4500 kg of gold jewelry components, and process about 200000 carats of diamond jewelry annually (double shift). It can maintain strict quality standards and achieve high levels of productivity and operational efficiency thanks to the testing facilities.

History of Tribhovandas Bhimji Zaveri Ltd.

The company TBZ Ltd. was established in 2007. The original partnership deed was signed on January 3, 1949, and the business was first operated as a partnership between Tribhovandas Bhimji Zaveri and others. The partnership's line of business was mostly under the name Tribhovandas Bhimji Zaveri, goldsmiths and jewelers. The firm established its second showroom in Hyderabad in 2001. They instituted competent, independent management of every showroom. The company started selling jewelry that was 100% pre-hallmarked in retail settings in 2004. The company was formally incorporated as a private limited company on July 24, 2007. The company, between August 2007 and October 2008, added seven more outlets in a fifteen-month span. They have more than 42,000 square feet of shop space spread throughout 13 cities. The corporation unveiled its new brand concept in 2009. The business went into On September 11, 2009, Konfiaance Jewellery Pvt Ltd. was founded and a joint venture agreement with Parinda Bajaj was signed. Their corporate office was established in Mumbai in 2010. The company became a public limited company in December 2010 and changed its name to Tribhovandas Bhimji Zaveri Ltd. 2011 saw the corporation extended its Kandivali, Mumbai, manufacturing site. The joint venture agreement between the company and Parinda Bajaj was ended on June 22, 2011, making Konfiaance Jewellery Pvt Ltd the company's completely owned subsidiary.

The company added one new showroom in Jamshedpur, Jharkhand, during the fiscal year that concluded on March 31, 2015, bringing the total number of showrooms to twenty-eight in twenty-two cities and ten states. The company launched the TBZ franchise opportunity and welcomed franchisees to participate in the retail jewelry sector during the reviewed year.

The company launched its first franchise showroom in Dhanbad, Jharkhand, and one new owned showroom in Bandra (West) Mumbai, Maharashtra, during the fiscal year that concluded on March 31, 2016, bringing the total number of showrooms to thirty in twenty-three cities and ten states. In the reviewed year, the company began operating a retail business on the E-commerce platform using reputable E-commerce platform service providers, namely Snapdeal, Flipkart, and Amazon, which showed promise. retail platform that is well-liked throughout India and has a wide range of customers. The company opened two new franchisee showrooms in Patna, Bihar, and Ranchi, Jharkhand, during the fiscal year that concluded on March 31, 2017, bringing the total number of showrooms in twenty-five cities and eleven states to thirty-two. The business debuted a "Floral Collection" of exquisite jewelry throughout the year with the theme "Let Blessings Bloom," which was inspired by flowers.

The company opened four owned mall stores at Sea Woods Mall Navi Mumbai, R-City Mall Ghatkopar (West), Phoenix Mall Lower Parel, and Phoenix Mall Pune during the fiscal year that concluded on March 31, 2018, and closed one store at Aurangabad. Maharashtra. Additionally, the business launched two new franchise locations in Jamnagar, Gujarat.bringing the total number of showrooms in 26 cities and 11 states to 27, including Bhopal, Madhya Pradesh. At the moment, TBZ is present in 13 states and 27 cities.

2.8.8 Goldiam International Ltd.

Goldiam International Ltd. At a Glance

The business is involved in the export of both plain and studded gold jewelry as well as cut and polished diamonds. Following the establishment of the diamond cutting and polishing department, the business established the jewelry manufacturing facility that included the most recent advancements in technology. Today, the company is among the first to achieve complete forward integration by housing all of the manufacturing facilities for cut and polished diamond studded gold jewelry under one roof. The Business's The company's unwavering dedication to quality is demonstrated by the fact that it has won awards for exceptional export performance for the last three years (1991, 1992, and 1993).The company started an expansion initiative last year to double the yearly capacity of the jewelry department from the current 75,000 units to 4,00,000 units in response to the enormous unmet demand for jewelry. It produces jewelry in addition to diamond polishing and cutting. The company supplies goods to major department stores in the United States, Europe, and other nations. They rely on Goldium International Ltd. to deliver excellence and originality.

Every store desire uniqueness and personalization. The company offers flexibility in packaging, branding, and positioning and collaborates closely with their merchandisers. Its cutting-edge production plant is located at Bombay is located in a zone exclusively dedicated to exports. Among its offerings are light-weight American cluster rings, channel-set bands, pendants, diamond- and color-studded bracelets, earrings, and more. It also sells gold and diamond-studded rings. The business has began producing platinum jewelry, which should boost profitability and yield far better returns.

History of Goldiam International Ltd.

M R Bhansali and K R Bhansali promoted the company. On October 10, 1986, the Company was incorporated as a Private Ltd. Company under the Companies Act, 1956, and was thereafter known as Goldiam (International) Pvt. Ltd. Goldiam International Pvt. Ltd. was the new name. With effect from June 30, 1991, the company was deemed a Public Limited Company under section 43 A of the Companies Act. The shareholders subsequently approved the business's conversion to a Public Limited business. It began exporting both simple and studded gold jewelry and diamonds that have been cut and polished.

special decision dated August 24, 1994, and the updated Certificate of Incorporation dated September 20, 1994, both from the Registrar of Companies Maharashtra, which resulted in the company's name being changed to Golden International Ltd. Throughout 1999 and 2000, the business filed a The company has had a 45% growth, which the directors are pleased to report was made possible by ongoing quality control procedures and the reputation the company has built over the years in the global market. With the introduction of Princess Cut Diamond Grooving Machinery and In Visual Setting in Diamond Jewellery, the company has improved its export and value addition. Goldiam International Ltd. has acquired Goldiam Jewels Ltd. as a subsidiary. due to the company's increased ownership of 50.05% in Goldiam Jewels during the month of February, 2005.

Vision

To lead the US diamond jewelry retail market as a vendor-partner by offering substantial value in all of our product and service offerings.

Mission

- In order to increase stakeholder value

- The three I's are emphasized: idea, innovate, and implement
- to expand our range of products and support them with a technology-integrated supply chain
- Developing Transparency, Trust, and Providing Our Clients with the Best Service Possible

2.8.9 Atlas Jewellery India Ltd.

Atlas Jewellery India Ltd. At a Glance

The company sells gold jewelry and other items made of precious metals both domestically and internationally. Three subsets of the jewelry are made up of gold, diamonds, and other materials. In Mumbai (Vashi), it opened two retail showrooms, and Phoenix Mall in Bangalore is performing well in the retail sector. Together with a large selection of stylish jewelry that meets both conventional and ethnic style requirements, Atlas also maintains the highest standards of quality and customer care. Atlas is one of the top companies in the GCC (Gulf Cooperation Council), with more than 50 locations, a store in each of the main business markets, and three giant showrooms in Cochin, Trivandrum, and Coimbatore. current market participants in the sector.

The Group now intends to make a significant entry into the Indian gem and jewellery market through its listed company, ATLAS Jewellery India Limited, which is listed on the Bombay, Delhi, Ahmedabad, and Jaipur Stock Exchanges. The Group's intentions for ATLAS are extremely ambitious. Jewellery India Limited is a pan-Indian company that operates production facilities in addition to massive retail stores. In addition, the Company will export jewelry to current markets where ATLAS Group is currently present. In the near future, it also plans to investigate other possible international markets.

History of Atlas Jewellery India Ltd.

El Woollens Limited (GEWL) received a certificate of name change from the Rajasthani Registrar of Companies in Jaipur on May 31, 1989, after being registered as a private limited company. Following then, Atlas Jewellery India Ltd. replaced Gee El Woollens Ltd. as the company's name.as of August 30, 2013.

The opening of Atlas Jewellery India Limited's two new shops is announced for 2014.

The business has started exporting under the new moniker Atlas Jewellery. India Limited in line with the primary goal of the business.

2.8.10 Uday Jewellery Industries Ltd.

Uday Jewellery Industries Ltd. at a Glance

Uday Jewellery Industries Ltd. is a company that manufactures, sells, and trades diamond- and stone-studded gold and silver jewelry, as well as cubic zirconic with natural and colored stones in many geographic locations, such as domestic sales as well as sales to overseas markets.

Uday Jewellery Industries Ltd holds a prominent position in the market for complete suppliers of jewelry adorned with colored and cz stones. Customers like the company's items because of their creative designs and reasonable costs.

One of the most attractive collections of jewelry on the market is the company's CZ and colored stone studded jewelry. It offers a large selection of items, such as pendants, earrings, and necklace sets.

The business is steadfastly dedicated to all of its stakeholders. The stakeholders possess comprehensive knowledge and are kept abreast of the Company's activities. The Company believes in and is committed to addressing any investor complaints as soon as possible. in full accordance with the protection of investors.

The BSE and CSE list the company's securities. The company's share transfer agent and registrant is Big Share Services Private Limited.

History of Uday Jewellery Industries Ltd.

The Companies Act of 1956 was used to incorporate the company on May 13, 1999, under the name Net Trade Innovations Private Limited. On February 16, 2000, the Company underwent another conversion and became a Public Limited Company. The term was then modified to Hifunda.Com Limited on February 18, 2000. The Company renamed itself as Hifunda Ltd. on June 04, 2004 due to a shift in its range of business operations.

After the company's current management took control, on October 17, 2011, the name of the business was changed to Uday Jewellery Industries Limited. The Company's current line of operation is trading in color stone and cz. jewelry with studs. The company's new management has a wealth of expertise in the gem and jewelry industries.

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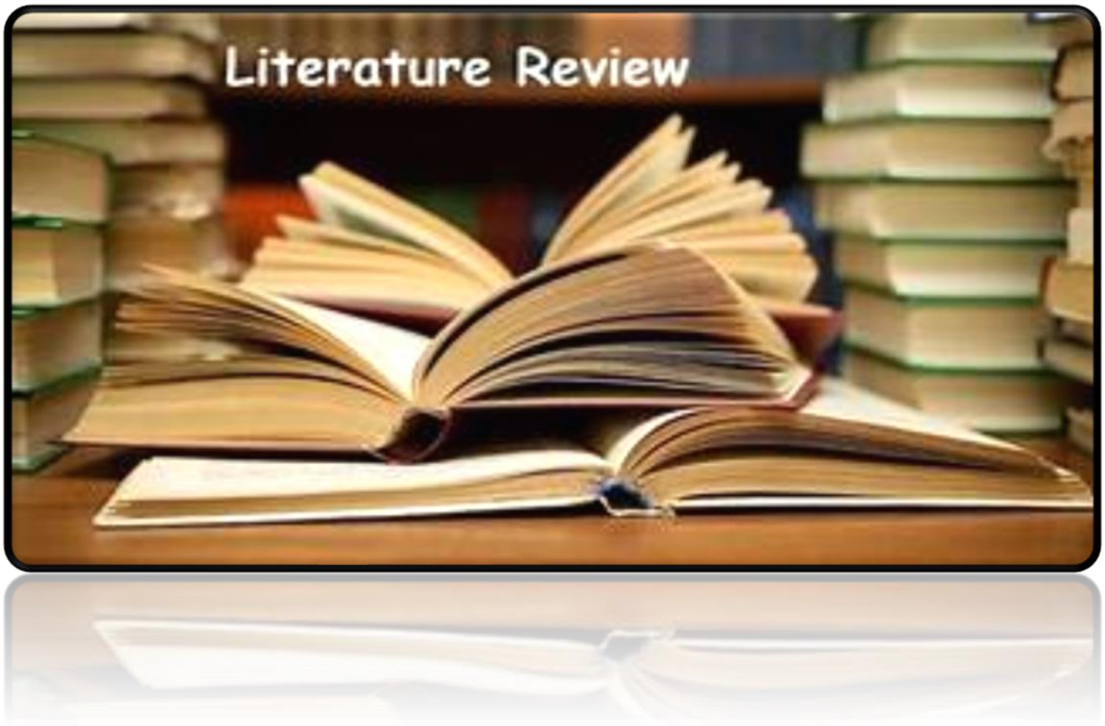
- www.gjepc.org

CHAPTER 3

LITERATURE REVIEW



(Sources: www.google.com)

INDEX

No.	Particular	Page No.
3.1	Introduction	71
3.2	Literature Review	71
	Reference	

3.1 INTRODUCTION

A literature review's objective is to demonstrate to a reader that the researcher has a solid understanding of the majority of published work on a given topic or question in a particular field. A review of the literature creates a connection between the current investigation and earlier investigations. The literature review offers a comprehensive framework for research endeavors, facilitating conceptual clarity for all aspects of the study and identifying research gaps. A literature review supports the interpretation of research findings in addition to assisting in the selection of relevant instruments, procedures, and study problem objectives. This work may be found online or in any other medium. The researcher examines theoretical, methodological, quantitative, and other aspects in the literature review.

A vast body of literature has been written about profitability, leverage, and liquidity. On it, numerous researchers have worked. Scholars, economists, and observers have noted that there is a positive correlation between leverage and liquidity in terms of profitability.

This chapter discusses numerous studies done on profitability, leverage, and liquidity. The researcher has conducted 31 Indian studies and 36 overseas investigations as part of a literature evaluation to bolster the topic under investigation. In the recent past, other scholars working in the same topic have attempted to uncover the causes behind the ways in which leverage and liquidity impact a firm's profitability.

3.2 LITERATURE REVIEW

(Ibrahim, 2018) This research aims to investigate the relationship between profitability and liquidity using indicators other than liquidity. The primary objective of the paper is to respond to this query: Do various liquidity indicators affect profitability in the same way—that is, adversely or positively? While ROA and ROE gauge profitability, liquidity measures like the current ratio and quick ratio assess the company's capacity to pay short-term debt. The source of the data is ASE. Various tests were used to examine the connection between profitability and liquidity. The purpose of this study was to determine whether the quick ratio, which measures liquidity, significantly affects the return on asset (ROA) and profitability of trade services companies in Jordan.[1]

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[1] Al-Qadi, N. S., Kanji, I., & Salameh Al-Qadi Ibrahim Marwan Kanji Al-Balqa, N. (2018). Relationship Between Liquidity and Profitability: An Empirical Study of Trade Service Sector in Jordan. In Research Journal of Finance and Accounting www.iiste.org ISSN (Vol. 9, Issue 7). Online. https://www.researchgate.net/publication/324877754

(Sidhu, 2018) This study looked at the relationship between Indian companies that are part of the S&P BSE 500 Index's stock market liquidity and leverage between 2009 and 2013. To examine the link, the fixed effects panel regression model has been used. The empirical findings corroborate the hypothesis that leverage has an impact on stock market liquidity, i.e., that a company with less debt will have more stock market liquidity. According to the empirical findings, corporate leverage and stock market liquidity as determined by the Aminu measure are negatively correlated[2]

(Reddy, 2018) This study looks at how liquidity and profitability are related, as well as how financial leverage and liquidity affect the financial performance of a few chosen pharmaceutical businesses between 2006–07 and 2015–16. Regression analysis, the Hausmann test, the t-test, and multiple regressions are used by researchers for data analysis. The study's findings indicate that a company's liquidity, or its continuous capacity to meet its financial obligations, has an impact on its capital structure. Decreases in leverage follow increases in the company's liquidity and vice versa. Nonetheless, the current study shows no discernible effect of leverage on capital structure or profitability.[3]

(Chellam, 2018) The article "Jewelry Industry in India" provides a thorough examination of the beginnings, development, and history of the jewelry industry in that nation. This article serves a vital role in educating the public about the complexities of the Indian

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[2] Kaur Sidhu, M. (2018). Impact of Leverage of a Company on Stock Market Liquidity in Indian Markets. 20, 1–08. https://doi.org/10.9790/487X-2001030108

[3] Kathi Reddy, S., & Professor, A. (2019). The Effect of Liquidity and Leverage on Profitability of Select IT Companies. International Journal for Research in Engineering Application & Management (IJREAM), 05, 3. https://doi.org/10.35291/2454-9150.2019.0274

jewelry sector by providing important information regarding the gold trade, government laws, domestic gold production, imports and exports, and current gold prices. It's not just an instructive article; it's also a teaching tool that clarifies the industry's regulatory environment and economic importance. Readers can learn a great deal about the causes driving the expansion of the sector by reading the data on government policies and the gold trade. In general, this essay helps to promote a greater comprehension of Indian jewelry. [4]

(Kulkarni, 2018) The complex relationships between liquidity and profitability were examined in this research work using multiple regression analysis, a powerful analytical method. The study's findings, which demonstrated an adverse link between profitability and liquidity, was compelling. It explained that high liquidity levels might pose a risk to profitability since surplus money are often trapped in current and liquid assets and may sit dormant. This realization clarifies the fine balance that businesses must maintain between maximizing profitability and preserving sufficient liquidity for operational requirements. The research's conclusions add to the body of knowledge in the financial field and have real-world applications for companies and financial professionals, who must balance the need for sustained profitability with the delicate balancing act in today's dynamic business environment**.**[5]

(sodha, 2018) This study looks at how liquidity and profitability are related, as well as how financial leverage and liquidity affect the financial performance of certain pharmaceutical companies. The years covered are 2008–09–2017–18. The study's findings indicate that the companies' liquidity It influences the capital structure of the company and is mirrored in the continuing capacity to meet financial obligations. Decreases in leverage follow increases in the company's liquidity and vice versa. Nonetheless, the current study shows no discernible effect of leverage on capital structure or profitability.[6]

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[4] Chellam, C., & Mahalaxmi, A. P. C. (n.d.). Jewellery Industry in India. https://www.researchgate.net/publication/337273909

[5] Sahni, D., & Kulkarni, H. S. (2018). Study on Impact of Financial Leverage and Liquidity on Financial Performance: A Case Study on DLF Ltd.; Construction & Contracting-Real Estate Company in India. In International Journal of Research in Management (Vol. 08, Issue 1). http://indusedu.org

[6] Haresh Kothari, C., Sodha, S., & Professor, A. (n.d.). Volume: I, Issue: 1 Gap Gyan-The Impact Of Liquidity And Leverage On Profitability: Evidence From Selected Pharmaceutical Companies Of India. Http://Www.Gapjournals.org

(Dani, 2018) This study, which focused on particular companies, conducted a thorough investigation into the complex relationship between leverage and profitability in the Indian cement industry. The investigation was based on secondary data collected between 2007–2008 and 2016–17, a ten-year period. The study investigated the complex relationships between financial leverage and performance indicators like sales growth, net profit margin (N.P. Margin), return on assets (ROA), return on equity (ROE), and earnings per share (EPS) using correlation analysis. The previously indicated performance metrics were the dependent variables, and financial leverage was the independent variable. This methodical methodology made it possible to gain a thorough grasp of how leverage affects the selected companies' overall financial performance and well-being in the Indian cement industry. The results offer significant perspectives to financial strategists, industry analysts, and policymakers who aim to gain a more profound understanding of the factors influencing business profitability in this field during the given time frame.[7]

(Masdupi, 2018) The purpose of this study is to objectively investigate how profitability, leverage, and liquidity affect the financial distress of manufacturing companies that are listed on the Indonesian Stock Exchange (IDX). With the use of the purposive sampling method, 118 companies made up the research sample. To examine the data, logistic regression was employed. The study's findings indicate that manufacturing companies' financial distress is significantly impacted by three factors: liquidity, leverage, and profitability. Of these, manufacturing companies listed on the Indonesian Stock Exchange are most affected by liquidity.[8]

(Adesina, 2020) For a five-year period, from 2012 to 2016, this study looked at how the performance of ten manufacturing enterprises was affected by their approach to liquidity management. The annual reports and accounts of these companies included secondary data that was gathered. Regression analysis, correlation, and descriptive statistics were employed in the data analysis process. The study found that whereas the quick and cash ratios had a positive but negligible link with ROA, the current ratio had a negative and

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[7] Chellam, C., & Mahalaxmi, A. P. C. (n.d.). Jewellery Industry in India. https://www.researchgate.net/publication/337273909

[8] Masdupi, E., Tasman, A., & DaVita, A. (2018). The Influence of Liquidity, Leverage and Profitability on Financial Distress of Listed Manufacturing Companies in Indonesia. www.idx.co.id.

significant impact on the profitability (ROA) of the chosen enterprises. Therefore, in order to increase the profitability of Nigerian manufacturing companies, it is advised that careful attention be paid to liquidity management. Key words: return on assets, profitability, trade-off theory, liquidity. 10.7176/EJBM/12-27-11 is the Doi Date of publication: September 30, 2020[9]

(Budhathoki, 2020) This study looked at how the bank's overall asset size, leverage, and liquidity all affected profitability. Bank scope data from all 28 commercial banks that operated in Nepal between 2010/11 and 2016/17 were used in this study. The study made use of 168 observations in total. The effect of leverage, total size, and liquidity on the bank's profitability was examined using three ordinary-least-squares models. The first regression model shows that the bank's ROA, ROE, and NIM were all negatively impacted by a greater loan to deposit ratio, which is a symptom of inadequate liquidity. However, ROE and NIM were not statistically significant. The second regression model's conclusion demonstrates that a lower leverage ratio, or higher equity to assets ratio, has a statistically significant positive impact on two profitability indicators, ROA and NIM, but a statistically insignificant negative relationship with ROE. The final regression model's outcome shows that all three-profitability metrics—ROA, ROE, and NIM—were positively impacted by larger bank sizes, which seemed to be advantageous to Nepalese commercial banks. The study's findings may enable bankers and legislators to make wise decisions that will increase banks' profitability**.** [10]

(Panigrahi, 2022) Decisions made at work regarding payables, inventories, cash, and receivables all have an impact on how a company keeps its liquidity level. For every business to operate successfully, liquidity is essential. Maintaining liquidity on a daily basis is crucial to working capital management since it helps the organization meet its obligations and run smoothly. As a result, it is critical to closely monitor the company's liquidity position because without it, it cannot survive. However, initiatives to boost profitability

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[9] Impact of Liquidity Management on Profitability of Selected Manufacturing Firms in Nigeria. (2020). European Journal of Business and Management. https://doi.org/10.7176/ejbm/12-27-11

[10] Bahadur Budhathoki, P., Bhattarai, G., Rai, A., Bahadur, P., Kumar, C., Prasad, K., Kumar Rai, C., & Prasad Lamichhane, K. (2020). The Impact of Liquidity, Leverage, and Total Size on Banks’ Profitability: Evidence from Nepalese Commercial Banks. Journal of Economics and Business, 3(2), 545–555. https://doi.org/10.31014/aior.1992.03.02.219

have a tendency to decrease a company's liquidity, and an excessive focus on liquidity has a tendency to negatively impact profitability. Without a question, every business seeks to maximize profits by keeping cash on hand. However, the question of which factor—profitability or liquidity—maximizes shareholder wealth by driving up the share price of Indian cement companies? Therefore, the goal of the study is to comprehend how profitability and liquidity affect the stock price of Indian cement businesses. We used the t-test, correlation test, and resulting p-value to ascertain whether investors in the cement sector should choose companies that are profitable or liquid. It has been discovered that a faster cash conversion cycle (CCCy) raises the market value of the company, suggesting that the likelihood of a rise in share price improves with liquidity. It has been discovered that cement companies' profitability isn't Furthermore, the economic value added (EVA) rises but the CCC falls as the market value rises. Previous research indicates that Indian cement companies demand significantly higher operating capital than companies in other industries. While a company's everyday operations are impacted by low operational cash, an excessive reliance on working capital can negatively impact the company's profitability. Thus, why do Indian cement companies require such a high level of operating capital? The aim of this study was to provide an answer. According to the research's findings, businesses think that keeping their liquidity high will raise their share price. Ideological Investigation[11]

(John, 2011) The purpose of this article is to examine how leverage affected Indian pharmaceutical companies' investment decisions between 1998 and 2009. Leverage, sales, cash flow, Return on Asset, Tobin's Q, liquidity, and retained earnings are taken as independent variables, while investment is taken as the dependent variable, in order to assess the influence of leverage on the firm's investment decision through the use of pooling regression, random, and fixed effect models. Furthermore, we distinguish three categories of companies: small, medium, and large organizations. The findings show a strong positive correlation between leverage and investment, whereas for medium-sized businesses, there is a negative correlation and for large-sized businesses, there is a positive correlation.[12]

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[11] Panigrahi, A. K. (2014). Impact of Negative Working Capital on Liquidity and Profitability: A Case Study of ACC Limited. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.2398413

[12] John, F. S. (2011). Impact of Leverage on Firms Investment Decision. International Journal of Scientific & Engineering Research, 2(4). http://www.ijser.org

(Agarwal, 2014) The export trend of jewels and jewelry from Jaipur between 2008 and 2013 has been depicted by the researchers. The marketing and human resource issues of Jaipur's EPIP (Export Promotion Industrial Park) have been discovered by the academics. Jaipur is becoming more and more recognized as a global center for trade in jewelry and gems. In order to establish a brand identity for Jaipur, the sector must adapt to shifting consumer preferences and lifestyles by offering reconditioned goods, services, and business methods.[13]

(A.Sengottaiyan, 2013) This research paper explores a targeted analysis of the profitability of particular Indian textile enterprises. The researcher uses return ratios as important profitability indicators to evaluate the performance and financial health of these businesses, highlighting their capacity to offer a thorough and long-term view. Return ratios are particularly useful for this study since they provide a detailed picture of a company's profitability over a long period of time. Examples of these metrics are Return on Equity (ROE) and Return on Investment (ROI). The researcher uses a regression model, a complex statistical tool that allows a more in-depth investigation of the variables impacting profitability, to increase the analytical depth. Through the application of this methodology, the study aims to decipher the complex dynamics influencing the financial performance of the chosen textile enterprises, offering significant contributions to scholarly discourse on financial analysis as well as useful advice for stakeholders in the Indian textile sector.[14]

(Kavidayal, 2013) The goal of this essay is to clarify the complex relationship that exists between ONGC Ltd.'s profitability and working capital management (WCM). The study utilizes regression and correlation analysis after carefully reviewing secondary data that was taken from ONGC's annual reports between 2000 and 2012. These analytical methods help identify the potential significant influence that WCM may have on the profitability of the company. The report emphasizes how important working capital management is and how it may have a direct impact on liquidity and profitability. This study provides insightful information for stakeholders by examining the intricacies of ONGC Ltd.'s financial

[13] Agarwal, Dr. P., Devgun, Ms. R., & Bhatnagar, Dr. J. S. (2017). A Study on Problems Faced By Exporters of Gems and Jewellery Industry. IOSR Journal of Business and Management, 19(04), 01–07. https://doi.org/10.9790/487x-1904040107

[14] Assistant Professor, D. (2016). LIQUIDITY ANALYSIS OF SELECTED FOOD PROCESSING COMPANIES IN INDIA. International Journal of Scientific Engineering and Applied Science (IJSEAS), 2. www.ijseas.com

dynamics. It provides a sophisticated comprehension of how efficient working capital management can influence a company's overall financial performance and well-being.[15]

(CHISTI D. K., 2013) In the pages that follow, scholars seek to clarify how capital structure affects a company's profitability, paying particular attention to the ever-changing automotive sector. Ten companies are carefully chosen as a representative sample for the study, covering a full five years. Using only secondary data from a variety of sources, the researchers carefully examine different ratios in order to test their theories. The study's clear results highlight an important finding: the capital structure does, in fact, have a statistically significant effect on the profitability of the companies under investigation. This judgment has significant ramifications for stakeholders and decision-makers, offering sophisticated insights into the complex relationship between capital structure decisions and businesses' financial performance in the ever-changing automotive industry.[16]

(Kumar, 2013) The issues affecting India's export-oriented businesses that deal with gems and jewelry have been noted by the researcher in this study piece. The researcher has examined the potential exports of Indian jewelry and diamonds. Since more and more buyers worldwide are turning to India as their recommended source for high-quality gem and jewelry products, it follows logically that the future of the Indian gem and jewelry sector is highly promising. However, the industry for gems and jewelry is struggling to survive in the face of machine-produced items, thus efforts must be made to preserve and revive traditional gem and jewelry products. [17]

(Varsha, 2010) This research paper explores Pantaloon Retail India Ltd. from 2004 to 2008 through a thorough case analysis. Using correlation analysis to examine hypotheses, the research reveals fascinating results. It shows that there is an inverse relationship between changes in financial leverage and earnings, with a negative correlation between Degree of

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[15] Kandal, V., & Kavi Dayal, P. C. (2020). Implication of Working Capital Management on the Profitability: A Case Of ONGC LTD, India. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.3546730
[16] Ashraf CHISTI Lecturer, K., & ALI Asstt Professor, K. (n.d.). IMPACT OF CAPITAL STRUCTURE ON PROFITABILITY OF LISTED COMPANIES (EVIDENCE FROM INDIA) (Vol. 13, Issue 1).
[17] Gururaj, B., Satishkumar, M., & Kumar, M. K. A. (2016). Analysis of factors affecting the performance of exports in India. International Journal of Agriculture, Environment and Biotechnology, 9(4), 613. https://doi.org/10.5958/2230-732x.2016.00079.6

Financial Leverage (DFL) and Earnings Per Share (EPS). Moreover, a positive link is seen between Total Leverage (TL) and EPS and Degree of Operating Leverage (DOL) and EPS. This suggests that changes in operational and total leverage have a beneficial impact on profits. These revelations provide significant implications for financial decision-making and strategic planning in the retail industry, illuminating the complex variables impacting Pantaloon Retail India Ltd.'s financial performance throughout the given period.[18]

(Rudin, 2016) to understand and assess, in part, the impact of liquidity and leverage on profitability at Go Public Real Estate and Property Company in the Indonesia Stock Exchange between 2005 and 2010. Purposive sampling is the method of choice for the researcher in this article. The researcher used a sample of sixteen companies for this study. Finally, the researcher comes to the conclusion that profitability is significantly impacted by both leverage and liquidity at the same time.[19]

(Dabiri, 2017) For the years 2005–2016, this study looked at the profitability of five particular Islamic banks in the United Kingdom, as well as the effect of liquidity on profitability and the causal relationship between the two. Researchers employed pairwise Granger causality testing and regression analysis for this investigation. The study's conclusion, drawn from the data, is that liquidity significantly and negatively affects both short- and long-term runs. Additionally, the findings demonstrated that there is no meaningful causal relationship, either unidirectional or bidirectional, between profitability and liquidity.[20]

(Ramlan, 2018) This article uses regression and correlation analysis to look into the performance of 21 chosen firms on Bursa Malaysia from 2010 to 2014. After concentrating on profitability, liquidity, and leverage, the researcher comes to the conclusion that while all three have a major impact on overall performance, profitability has the most impact on

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[18] Varsha, Virani. (2010). Impact of Leverage on Profitability of Pantaloon Retail India Ltd.. Advances In Management. https://www.researchgate.net/publication/46560115

[19] Rudin, M., Nurdin, D., & Fattah, V. Y. (2016). The Effect of Liquidity and Leverage on Profitability of Property and Real Estate Company in Indonesian Stock Exchange. International Journal of Social Sciences and Management, 3(4), 300–304. https://doi.org/10.3126/ijssm.v3i4.15964

[20] Dabiri, M., & Wahab, N. A. (2017). Profitability and Liquidity of Islamic Banks in the United Kingdom. https://www.researchgate.net/publication/315739279

a company's performance. The correlation analysis shows that there is a strong link between these financial metrics and business performance. The research provides insightful information about the complex relationships between financial indicators and business success. Specifically, it provides a detailed understanding of how profitability, leverage, and liquidity affect a company's overall performance over the five-year period under investigation.[21]

(Kemal, 2018) The impact of supermarket chains' financial success in Kenya was examined in this research study. Pecking order theory and trade-off theory were two of the theories the researcher employed for this investigation. Primary data from the questionnaires used in the study were obtained. The sample size for this investigation was 255.Researchers used a variety of statistical methods on SPSS (the statistical software for social science) for this study, including standard deviation, regression, and correlation. Supermarkets must employ a range of financing methods, including debt and equity, according to the report. The outcome of additional research shows that supermarkets' financial performance is impacted by their capital structure.[22]

(Azhar, 2015) This study looked into how certain Indian power distribution utilities' profitability was affected by liquidity and management effectiveness. A sample of twenty-three electricity distribution utilities that were in operation in India from 2004–2005 to 2013–2014 comprised the study. As a result, there are 230 total panel (balanced) observations. The dependent variable is the return on capital employed, which serves as a measure of profitability; the independent variables are represented by the current ratio, quick ratio, absolute cash ratio, debtor turnover ratio, creditor turnover ratio, collection efficiency, and interest coverage ratio. There is application of statistical tools like Generalized Least Squares (GLS) regression. The study discovered that while fast ratio,

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[21] Ramlan, H., Shafiq, M., & Suhaimi, I. bin. (2017). THE RELATIONSHIP BETWEEN INTEREST RATES AND INFLATION TOWARD THE ECONOMIC GROWTH IN MALAYSIA. In Journal of Humanities, Language, Culture and Business (HLCB) (Vol. 1, Issue 1). www.icohlcb.com

[22] Yıldırım, D., & Çelik, A. K. (2021). Testing the pecking order theory of capital structure: Evidence from Turkey using panel quantile regression approach. Borsa Istanbul Review, 21(4), 317–331. https://doi.org/10.1016/j.bir.2020.11.002

absolute liquid ratio, and creditor's turnover ratio have no significant influence, debtor's turnover ratio, collection efficiency, and interest coverage ratio do.[23]

(Yusoff, 2018) The researchers in this study have chosen consumer product businesses that are publicly listed in Malaysia. In order to determine the association between liquidity and company profitability as well as the relationship between solvency and firm profitability of 116 companies in the consumer products sector, the researcher employed statistical tools such as correlation analysis. The researcher employed various techniques for data analysis, including panel data analysis, descriptive analysis, correlation analysis, assumption of ordinary least square, diagnostic test, and multiple regression analysis using E-view version. Ultimately, the researcher discovered that while various factors related to liquidity and risk influence each profitability ratio, the associations are similar, and the growth of profitability can be anticipated when free cash flow is increasing and the cash conversion cycle is declining.[24]

(Mulyana, 2018) The Indonesian Stock Exchange's official website and business websites provided secondary data for the study. The research period spans from 2011 to 2015. 150 manufacturing companies listed between 2011 and 2015 are included in this study. This study came to the conclusion that leverage, profitability, and liquidity all have an impact on earnings management. Finally, the combined effects of liquidity, profitability, leverage, and earning management influence corporate value. Individually, liquidity, profitability, and leverage influence earning management.[25]

(Zuhroh, 2018) This research article's primary goal is to gather empirical proof of how leverage affects business value mediation. The study's time frame is from 2012 to 2016. Purposive sampling is the technique used for the study's sampling. The route analysis

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[23] Azhar, S. (2013). Impact Of Liquidity and Management Efficiency on Profitability: An Empirical Study of Selected Power Distribution Utilities in India. www.scientificia.com

[24] Yusoff, H., Alomari, M. A., Latiff, N. A. A., & Hamzah, W. M. A. F. W. (2020). Evaluation on customer satisfaction in using e-commerce platforms: Malaysia as a case Study. International Journal of Engineering Trends and Technology, 68(3), 32–37. https://doi.org/10.14445/22315381/CATI3P205

[25] The Influence of Liquidity, Profitability and Leverage on Profit Management and Its Impact on Company Value in Manufacturing Company Listed on Indonesia Stock Exchange Year 2011-2015. (2017). International Journal of Managerial Studies and Research, 6(1). https://doi.org/10.20431/2349-0349.0601002

method using the software linear structural relationship (LISREL) version 8.8 is used to examine the secondary data used in this investigation. The study's findings showed that while size and liquidity factors directly have a negative impact, profitability has a substantial and favorable impact on the firm's worth.[26]

(Lusy, 2018) The effects of the debt-to-equity ratio and the current ratio on return on equity and return on assets are examined in this research study. In this study, data from 10 businesses that were listed between 2014 and 2017 on the Indonesia Stock Exchange (ISX) were sampled, and researchers used SPSS 24 to process the data using multiple linear regression analysis. The study's findings showed that, for food and beverage companies listed on the Indonesia Stock Exchange, the current ratio and the debt-to-equity ratio significantly impacted return on equity, return on asset, and return on equity.[27]

(Mohanty, 2018) In the current dynamic business environment, organizations who do not have a strong financial management system may find it more difficult to survive even though they are making a profit. Among these, managing liquidity is regarded as one of the most crucial aspects of business management since it is essentially seen as the lifeblood of any economic entity. In financial management, the trade-off between a company's profitability and liquidity has generated some lively discussion. All company's decisions regarding liquidity management should, in theory, have an impact on profitability. In light of this, this article attempts in a limited way to look into the relationship between liquidity and profitability in 28 small and medium-sized businesses (SMEs) that were listed and traded on the Bombay Stock Exchange between 2011 and 2016. Correlation analysis revealed that the connections.[28]

(Vieira S. , 2010) This study examines the financial performance of the world's top airline businesses using ratio analysis, an accounting approach, throughout the period of 2005 to

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[26] Zuhr, I. (2019). The Effects of Liquidity, Firm Size, and Profitability on the Firm Value with Mediating Leverage. KnE Social Sciences, 3(13), 203. https://doi.org/10.18502/kss.v3i13.4206

[27] Budi Hermanto, Y., Panjaitan, T. W., & Widyastuti, M. (n.d.). Effects Of Current Ratio And Debt-To-Equity Ratio On Return On Asset And Return On Equity. In International Journal of Business and Management Invention (IJBMI) ISSN (Vol. 7). www.ijbmi.org

[28] Mohanty, B., & Mehrotra, S. (2018). Relationship between Liquidity and Profitability: An Exploratory Study of SMEs in India. Emerging Economy Studies, 4(2), 169–181. https://doi.org/10.1177/2394901518795069

2008. The largest players in the business are chosen through a rigorous selection procedure that emphasizes a holistic view. One of the most important selection criteria is the International Air Transport Association (IATA) data, which focuses on the total number of passengers transported by each airline. The researcher precisely determined 48 businesses that satisfied this requirement for a further examination. The research aims to provide a nuanced understanding of the financial dynamics within the global airline industry during the specified timeframe by focusing on the top performers based on passenger volume. This approach can inform both financial analysts and industry stakeholders. [29]

(Vamja, 2020) Diamonds are said to have originated in India. There are renowned diamonds in the globe that come from India. The nation no longer mines diamonds, but because of its superior skill and low cost, it has become a center for diamond cutting and polishing. Indian jewelry set with diamonds is becoming more popular. a significant market for jewels and jewelry because it is well-liked both domestically and abroad. The current trend in jewelry purchasing is moving away from plain gold jewelry and toward platinum or gold jewelry with diamond accents. The way diamond jewelry is marketed has also changed. The vast majority of jewelry is advertised online since it is easily accessible and widely distributed. On the Indian commodity exchange, trade in diamonds is also permitted through.[30]

[29] The relationship between liquidity and profitability. (n.d.). https://www.diva-portal.org/smash/get/diva2:409560/fulltext01

[30] Sharma, S. P., Bhumika, M., & Vamja, M. (n.d.). INTERNATIONAL JOURNAL OF RESEARCH CULTURE SOCIETY A study on role of diamonds in the Indian economy. The relationship between liquidity and profitability. (n.d.). https://ijrcs.org/wp-content/uploads/IJRCS202006016.

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- https://doi.org/10.3126/ijssm.v3i4.15964
- https://www.researchgate.net/publication/315739279
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- https://doi.org/10.14445/22315381/CATI3P205
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CHAPTER 4

RESEARCH METHODOLOGY

(sources: www.google.com)

INDEX

No.	Particular	Page No.
4.1	Introduction	85
4.2	Title of the study	86
4.3	Objective of study	86
4.4	Scope of the study	86
4.5	Nature of the study	87
4.6	Universe of the study	87
4.7	Population of the study	87
4.8	Sample and sampling Technique of the study	87
4.9	Data collection and analysis	88
4.10	Hypothesis of the study	89
4.11	Tools and technique for hypothesis testing	90
4.12	Presentation of the data	92
4.13	Significance of the study	92
4.14	Chapter plan	92
4.15	Limitation of the study	93
4.16	Scope of the further research	94
	Reference	95

4.1 INTRODUCTION

"The research is an original contribution to the existing stock of knowledge making for its development," according to Kothari (2004). Research also includes the methodical process of formulating a theory and making generalizations. Therefore, the term "research" refers to the methodical process that includes stating the issue, developing a hypothesis, gathering information, analyzing the facts, and coming to a conclusion. conclusions, either in the shape of one or more solutions to the issue at hand or in a particular generation for a theoretical formulation.

"Research is an art, assisted by skills of inquiry, experimental design, data collection, measurement and analysis, by interpretation, and by presentation," states Greenfield (1996). Another ability that can be learned and cultivated is creativity or creation.

Using the scientific method to investigate a particular problem, worry, or issue in-depth and with the goal of learning anything by conducting an experiment is known as research. You need a problem, concern, or other issue before you can start investigating it. or problem that has evolved into a query. These may originate from peer pressure, professional literature, earlier studies, or world observation. The right question is actually where research really starts because it needs to have an answer. inquiries such as "How can I cure cancer?' can't be adequately addressed by research.

Since research is a scholarly endeavor, the term should only be used in a technical meaning. Clifford Woody states that conducting research entails defining and redefining problems, developing hypotheses or potential solutions, gathering, arranging, and analyzing information, drawing conclusions, and then verifying those conclusions to see if they align with the formulation of a hypothesis.

Thus, research entails:

- Knowledge acquisition
- Methodical, scientific search for data on particular subject
- It is an artistic kind of scientific research.

Thus, research generally refers to the pursuit of true information and facts. Research can also be defined as a methodical, scientific search for relevant data on a certain subject. Actually, research is a kind of artistic scientific inquiry. Even more In any field of study, research is the methodical, systematic, scientific, and analytical pursuit of the most recent information through inquiry and meticulous search. The definition of research is human activity centred on the application of intelligence to the study of matter.

4.2 TITLE OF THE STUDY

The study's title is as follows:

"AN IMPACT OF LIQUDITY AND LEVERAGE ON PROFITABILITY OF SELACTED GEAMS AND JEWELLERY COMPANYS OF INDIA"

4.3 OBJECTIVES OF STUDY

The main objectives of the study are as under:

- To assess financial statement of selected gems and jewellery company in India by relevant ratios.
- To analyse the relationship between liquidity and profitability of selected Gems and Jewellery companies of India.
- To analyse the relationship between leverage and profitability of selected Gems and Jewellery companies of India.
- To investigate the impact of liquidity on profitability of selected Gems and Jewellery companies of India
- To investigate the impact of leverage on profitability of selected Gems and Jewellery companies of India.

4.4 SCOPE OF THE STUDY

- **Geographical Scope**

There are now 19 companies listed on the BSE that deal with the manufacture and process of gems and jewellery. The top 10 companies' research projects were conducted by these companies. which developed into The geographical reach of this investigation.

- **Functional Scope**

According to this chapter's evaluation of the literature, several research on liquidity, leverage, and profitability have been done in the past for both public and private sector businesses; however, the majority of studies have focused on the effects of two factors. i.e., the essential strategy for future growth in the gem and jewellery business is not currently concentrated, notwithstanding the impact of liquidity and leverage on the profitability of the sector. There is also an organizational study on liquidity, leverage, and profitability, although it appears that relatively few studies are carried out on the effects of liquidity and influence on the jewellery and gems industry's profitability. In the current context, where the business world has become extremely competitive and the gem and jewellery industry is greatly influenced by people's lifestyles, current circumstances, customer habits, etc., this study aims to investigate the effects of liquidity and leverage on the profitability of specific gem and jewellery industry units.

4.5 NATURE OF THE STUDY

The researcher has made use of the material and data made available by numerous sources for analysis hence, in light of this, the nature of the research turns analytical. The financial statements and annual reports of the selected companies will provide the financial data.

4.6 UNIVERSE OF THE STUDY

The study's universe includes all of the diamond and jewellery businesses operating in India.

4.7 POPULATION OF THE STUDY

All jewel and jewellery enterprises registered with the Bombay Stock Exchange (BSE) comprise the study's population. Nineteen jewellery and gem companies are officially registered with the Bombay Stock Exchange (BSE).

4.8 SAMPLE AND SAMPLING TECHNIQUE OF THE STUDY

Based on their market valuation as of October 22, 2018, the researcher has chosen the top 10 companies from among the 19 Gems & Jewellery companies listed on the BSE. Subsequently, the investigator discovered that White Organic Agro Ltd. expanded its business in 2016 shifted from diamonds to organic goods. As such, it is eliminated, and the researcher has chosen the next-ranking company. Thus, Atlas Jewellery India Ltd. takes the position of White Organic Agro Ltd. Thus, the researcher has used the judgmental sampling technique.

The following criteria were taken into account when choosing the sample:

- The data that are accessible from 2019 to 2023 which is the study period.
- The businesses that are involved in the manufacturing and process of gems and jewellery.
- The business brought to be listed on the Indian Bombay Stock Exchange (BSE).

The ten businesses listed below have been chosen for the investigation:

Table No. 4.1 List of Companies

No.	Companies Name
1	Rajesh Exports Ltd.
2	PC jeweller Ltd.
3	Vaibhav Global Ltd.
4	Asian Star Co. Ltd.
5	Renaissance Jewellery Ltd.
6	Thangamayil Jewellery Ltd.
7	Tribhovandas Bhimji Zaveri Ltd.
8	Goldiam International Ltd.
9	Atlas Jewellery India Ltd.
10	Uday Jewellery

(Source: www.moneycontrol.com)

The present study examines the liquidity, leverage, and profitability of the above-mentioned enterprises in the Indian gem and jewellery industry. The concluding drowns and the proposed recommendations will offer helpful direction for the administration of the businesses to encourage the growth of their profitability, and investors and financial managers to make decisions based on their personal interests.

4.9 DATA COLLECTION AND ANALYSIS

"A systematic, in-depth study or search of any given topic, issue, or field of examination is known as research. It is supported by the gathering, compiling, presenting, and interpreting of pertinent information or data. It's a thought examination or investigation into any topic or subject matter that aims to unearth important information that may be applied or utilized later on (Bradley J.V., "Statistical tests without distribution," Prentice Hall Inc., New Jersey, p. 129)

Secondary data have been utilized to evaluate the effects of liquidity and leverage on the profitability of enterprises that deal in jewellery and gems. "The term secondary data refers to the tactical material which is not primary data," according to the definition originally created by the investigator, but which they acquire from someone's documents. Data for the current study were gathered during a ten-year period, from 2010–11 to 2019–20. periodicals from the gem and jewellery industries, websites of different businesses, stock exchange websites, and other internet resources, etc. were employed in the data collection process.

The data was obtained from the sampled units' annual reports. The income statement and balance sheet were used to compute all of the ratios, which were then examined and analyzed.

From a concluding perspective, the data have been presented and interpreted using a variety of analytical methodologies, such as the ratio analysis and graph. and finally, some recommendations have been made for the improvement of performance based on the conclusion.

4.10 HYPOTHESES OF THE STUDY

A hypothesis is a unique claim that is developed as part of research and is intended to be tested in a particular setting. It articulates the researcher's desired outcomes. Five primary hypotheses have been tested in the research study. These are listed below:

Hypothesis 1

H0: There is no significant relationship between liquidity and profitability of selected Gems and Jewellery companies of India.

H1: There is significant relationship between liquidity and profitability of selected Gems and Jewellery companies of India.

Hypothesis 2

H0: There is no significant relationship between leverage and profitability of selected Gems and Jewellery companies of India.

H1: There is significant relationship between leverage and profitability of selected Gems and Jewellery companies of India.

Hypothesis 3

H0: There is no significant impact of liquidity on profitability of selected Gems and Jewellery companies of India.

H1: There is significant impact of liquidity on profitability of selected Gems and Jewellery companies of India.

Hypothesis 4

H0: There is no significant impact of leverage on profitability of selected Gems and Jewellery companies of India.

H1: There is significant impact of leverage on profitability of selected Gems and Jewellery companies of India.

4.11 TOOLS AND TECHNIQUES FOR HYPOTHESES TESTING

Testing a hypothesis is assessing whether it seems plausible in light of the information gathered. Whether to accept or reject the null hypothesis is the main query in hypothesis testing.

Stated differently, it is crucial to support the methodology used in research to draw findings and conclusions and to facilitate the testing of hypotheses. The following instruments and methods were used by the researcher to test the hypothesis:

Accounting Tool

Ratio Analysis

The ratio is a widely recognized and commonly used tool in financial analysis, defined as a term that reveals the relationship between two variables.

A ratio is essentially a numerical expression of one value in terms of another. It is calculated by dividing one number, the numerator, by another, the denominator.

Ratio analysis stands out as a potent and highly efficient tool, applicable to any business enterprise for dissecting its financial statements. This analytical method enables a comprehensive examination of a company’s historical performance, facilitating informs projections and assumptions about its future trajectory. Its focus lies in unravelling the intricate interrelationships among the various figures presented in the financial statements. The important relationships that exist between the numbers displayed in a balance sheet, profit and loss account, budgetary management system, or any area of an accounting organization are described by accounting ratios, according to Batty.

It concludes that a ratio is a universal tool for evaluating a commercial firm's success, regardless of

How well or poorly its finances are doing. In this investigation, the investigators utilized the subsequent liquidity, leverage, and profitability.

Table No. 4.2 List of Ratios

Ratios		
Liquidity Ratio	Current Ratio	Current Assets/ Current Liabilities
	Quick Ratio	Current Assets-Inventories/Current Liabilities
Leverage Ratio	Debt to Equity Ratio	Long term Borrowing/Total Equity
	Interest Coverage Ratio	EBIT/Interest Expenses
	Debt to Assets Ratio	Total Debt /Total Assets
Profitability Ratio	Return On Assets Ratio	Net Income /Average Total Assets
	Return On Investment	EBIT/Cost of Investment

(Source: Self constructed by Researcher)

Statistical Techniques

❖ **Simple Linear Regression**

When conducting research with two variables one independent variable, sometimes referred to as an explanatory variable and one dependent variable, simple linear regression is employed. To determine the cause-and-effect relationship between variables, regression is utilized. Within a relationship between a cause and an effect, where the cause is the independent variable and the dependent the effect is a variable. A technique for forecasting a dependent variable's value, Y, based on the value of an independent variable, X, is called linear regression. The primary result of regression is the coefficient of determination, or R2. examination. It can be understood as the percentage of the dependent variable's volatility that can be predicted based on the independent variable.

The range of the coefficient of determination is 0 to 1.

The formula for calculating R2 is shown below:

$$*\Sigma\ [(xi - x) * (yi - y)] / (\sigma x * \sigma y)\}\ \text{equals R2 (1/N).2.}$$

Where Σ is the summation symbol, N is the number of observations used to fit the model, yi is the y value for observation i, y is the mean y value, σx is the standard deviation of x, and σy is the y-standard deviation.

4.12 PRESENTATION OF DATA

Graphs and diagrams are visual aids that provide an overview of a particular collection of numerical data. They display the information in an easy-to-understand and 158 comprehensible format. A visual representation of statistical data adds a visual element to what would otherwise be a collection of numbers. More information is displayed in diagrams and graphs than in the table's data. The researcher in this study uses a clustered column chart.

4.13 SIGNIFICANCE OF THE STUDY

- It can provide comprehensive details and insight into the Indian gem and jewelry business.
- It can provide specific details regarding the profitability, leverage, and liquidity of gem and jewelry companies.
- The study project enhanced the researcher's capacity for analysis and her familiarity with a range of instruments and methods.
- This study provides information and recommendations to business management.

4.14 CHAPTER PLAN

1. Conceptual framework of Liquidity, Leverage and Profitability

In this chapter of the study, the researcher elucidates the theoretical dimensions of liquidity, leverage, and profitability. Within this initial section, the researcher presents precise insights into liquidity, covering its overview, conceptual framework, meaning, objective, importance, and various techniques. Additionally, the researcher reveals the significance of leverage as well as its sorts, ratios, and notion. Following that, the researcher has outlined the general consensus about the topics covered in this lesson are profitability, its fundamentals, its significance, profitability measurement techniques, and a synopsis of ratio analysis.

2. An Overview of Gems and Jewellery Industry and Sample Profile

This chapter provides a general overview of the gem and jewelry industry. It also includes information on the history of jewelry and stones, a synopsis of the industry's history, the performance of the industry globally, and at the federal level. It also includes recent developments and present investments in this sector. The accomplishments of the jewelry and gems sector as well as the industry's prospects for growth are covered in this chapter. This chapter further expands on the characteristics of the chosen units of sample.

3.Literature reviews

The researcher refers to a different chapter on the body of literature. A literature review is a body paragraph format designed to evaluate important aspects of research publications, such as significant discoveries, theoretical aspects, and methodological contributions.a certain subject. Researchers have attempted to analyse profitability, leverage, and liquidity in this study. From this vantage point, the researcher has evaluated the literature on liquidity, leverage, and profitability throughout the course of numerous theses, books, and research papers. Additionally, the researcher attempted to examine 31 Indian research on liquidity, leverage, and profitability in addition to 36 international studies.

4.Research Methodology

This chapter serves as the outline for the entire study project. It includes the following topics: problem statement, research introduction, The study's title the study's objectives, the study's universe, the study's population, methodology for the study's sampling, technique for gathering data, Time frame for the investigation, The study's scope Research hypotheses and hypothesis testing, Accounting analysis tools include ratio analysis, and statistical analysis tools include multiple regression, regression, and correlation. The researcher also mentions the chapter strategy, and in the concluding section, they discuss some of the study's shortcomings.

5.Data Analysis and Interpretation

The center of the study is the title of this chapter. This chapter covers the necessary tabulation of data following collection, data analysis and interpretation, and well-formatted data presentation. The researcher examined liquidity in this chapter. Liquidity ratios, profitability ratios, and leverage ratios of particular jewelry and gem companies. Following that, researchers use correlation to determine the relationship between liquidity and profitability as well as the relationship between leverage and profitability. Finally, researchers determine the effect of liquidity and leverage on profitability with the use of multiple regression.

6.Summary, Findings and Suggestions

This chapter provides an overview of the entire research project, the study's findings, a number of recommendations from the researcher based on the investigation, and the conclusions the researcher came to after finishing the project.

4.15 LIMITATIONS OF THE STUDY

- The secondary data used in this study came from published annual reports of certain gem and jewelry firms as well as other sources including journals and periodicals. Thus, the data's quality, dependability, and accuracy all of the research.
- Only ten Indian companies that deal in gems and jewelry are included in this study. Its terms are not applicable to the entire national gem and jewelry market.
- The market capitalization as of a certain date is the basis for selecting the sample. However, market capitalization is a phrase that changes. Thus, it is possible that a different

number of sample units will be chosen on a different date. Thus, it is seen as study limitations.

- Merely ten years of study periods are covered in this study.
- Ratio analysis and several statistical methods, including multiple regression and correlation, have been employed in the current study. These methods and instruments are not without restriction of their own, which also pertain to current research. When calculating ratios, the various points of view are applicable.
- The gem and jewelry industry is involved in a variety of activities, including trading, mining, and selling. Therefore, not all operations within the gem and jewellery business will benefit from the conclusions drawn from this study.

4.16 SCOPE FOR FURTHER RESEARCH

A research study can only go into a restricted area of expertise. Keeping in mind the study's limits and the progress the researcher made during her study time, the researcher makes the critical prediction that important research may be carried out. It could be useful to categorize distinct conclusions differently for this kind of general level of research.

There are other aspects of profitability, leverage, and liquidity that still require investigation. Even in this current study, there remains a great deal of room for more investigation. The areas listed below are potential areas for future research:

- The impact of the Gems & Jewellery sector's profitability and liquidity management on stock prices.
- The effect of leverage policies on the jewelry and gems industry's financial performance.
- The impact of industry participants' merger decisions and how they affect company value
- An empirical investigation into the financial viability of a few Indian jewel and jewelry businesses.
- The financial performance of the gem and jewellery business is impacted by decisions made on capital structure and liquidity management

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CHAPTER 5

DATA ANALYSIS AND INTERPRETATION

(sources: www.google.com)

INDEX

No.	Particular	Page No.
5.1	Introduction	99
5.2	Current Ratio	102
5.3	Quick Ratio	107
5.4	Debt to Equity Ratio	112
5.5	Interest Coverage Ratio	117
5.6	Debt to Assets Ratio	122
5.7	Return on Assets Ratio	127
5.8	Return on Investment Ratio	131
5.9	An analysis of Relationship between Liquidity and Leverage on profitability	136
5.10	An analysis of the impact of leverage on profitability	144
	Reference	158

5.1 INTRODUCTION

Maximizing the wealth of the shareholders is the primary goal of any financial manager in the company. A proper trade-off between the financial functions, particularly the financing and investment decisions, can help achieve this goal. The Any organization's performance is determined by its profitability, leverage, and liquidity. As a result, the financial managers of different organizations are quite concerned about these factors.

Any business that wants to win the competition needs to boost its profitability—or its capacity to turn a profit. A company's profitability is essential since it served as a gauge for the effectiveness and efficiency of utilization of resources. Liquidity and leverage always have an impact on a company's increased profitability. These two elements serve as the benchmarks for measuring a company's profitability. Since managing smooth activities and obligations takes up nearly all of a company's focus, liquidity and leverage are major issues and topics that businesses frequently deal with. Long-term obligations are also a significant component of this of the source of funding for the company.

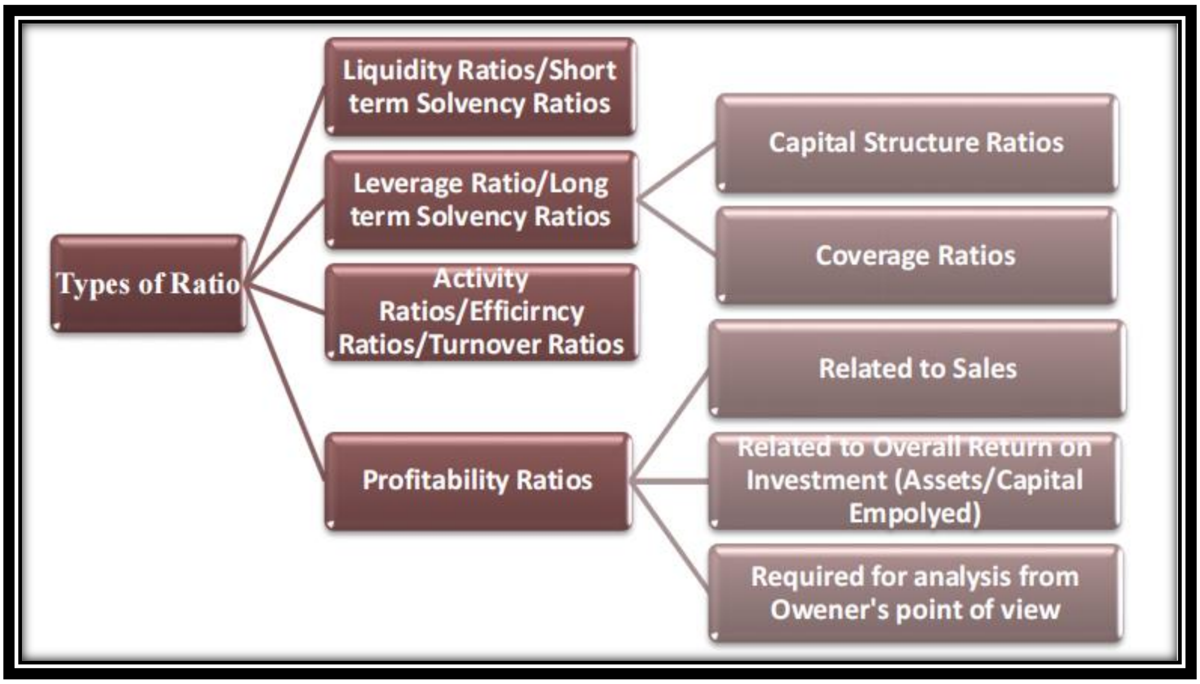
f the business decides to set aside a significant amount of working capital, liquidity and leverage will remain stable, but the likelihood of making a larger profit will decline, which will have an impact on profitability. Otherwise, in the event that the business intends to optimize profitability, it may also have an impact on the liquidity and degree of leverage of the business. Higher leverage and liquidity indicate that the company is in a better position in the eyes of creditors. Businesses must weigh the trade-offs between liquidity and leverage when deciding on their management strategy, as these decisions may have an impact on profitability. Van Horne (1997).

Both too much and too little liquidity and leverage would have detrimental effects, thus the amounts should be appropriate for the needs of the business. Leverage and excess liquidity could be detrimental to the organization since they encourage the accumulation of enormous amounts of squandering funds without making use of them in a constructive way. In addition, excessive leverage and liquidity may result in waste or inefficiencies in the business's operations, which would hurt its profitability. Effective management of the company's leverage and liquidity results in Profitability has increased (Gitosudarmo, 2008). High liquidity and leverage, in the opinion of stock exchange holders, are not necessarily profitable since they raise the likelihood of jobless money that could have been invested in ventures that would have yielded higher returns (Tunggal, 1995).

The management division should determine the factors that may have an impact on profit production in order to optimize profit. This is significant since changes in fund sales, leverage, and liquidity will have an impact on the company's profitability. In order to make the most money, it requires extremely efficient management. By understanding the profitability ratio, one may assess the efficacy of management as demonstrated by the profit realized and investment (Weston and Brigham, 1991). Knowing the profitability ratio allowed the business to keep an eye on its progress. In order to optimize the company's earnings, the financial management must understand the balance between leverage and liquidity. Knowing the impact of leverage and liquidity on profitability, business executives could identify problem-solving techniques and reduce their adverse consequences.
The optimal strategy to mix liquidity and leverage variables to boost the company's financial performance is a constant source of discussion. This is the rationale behind the current investigation to determine how leverage and liquidity affect profitability of businesses in the gem and jewelry industries.

TYPES OF RATIOS

Chart 5.1 types of Ratios



(Source: Study Material by ICAI)

In order to ascertain how liquidity and leverage affect profitability, the researchers employed the following variables in their investigation:

Table no. 5.1 List of Variables Used in the Study

Variable	Variable	Measurement
Independent Variables		
Liquidity	Current Ratio	Current Assets/ Current Liabilities
	Quick Ratio	Current Assets-Inventories/ Current Liabilities
Leverage	Debt to Equity Ratio	Total Debts/Total Equity
	Interest Coverage Ratio	EBIT/ Interest Expenses
	Debt to Assets Ratio	Total Debts / Total Assets
Dependent Variables		
Profitability	Return on Assets Ratio	Net income (PAT)/ Average Total Assets
	Return on Investment	EBIT / Cost of Investment

(Source: Self constructed by Researcher)

The rationale for using these stand-in variables is:

Variables for Liquidity

The most basic liquidity measure is the current ratio. Anyone can use it to find the current assets and current liabilities of a corporation.

Compared to the current ratio, the quick ratio is a more stringent test of liquidity. In that current obligations serve as the denominator, both are comparable.

It makes sense because the current ratio and fast ratio take into account all current assets, including cash (the quick ratio takes into account all current assets except inventories), while the cash ratio only takes into account cash balances and marketable securities in the numerator.

Variables for Leverage

Leverage ratios can take many different forms, but the primary components taken into account are debt, equity, assets, and interest costs. Consequently, the researcher has solely used these leverage ratios, which take into account debt, equity, assets, and interest costs. These elements are significant because they demonstrate how dependent a business is on borrowed money and how capable it is of fulfilling its financial commitments.

Variables for Profitability

The researcher takes into account profitability characteristics such as the overall return on investment (assets/capital employed) ratios. Considering that these return ratios show how well the business may provide returns for its owners. It is significant to investors as well as possible business investors.

5.2 Current Ratio

The current ratio calculates how well a business can use its short-term assets—cash, inventories, and receivables—to pay off its short-term liabilities, such accounts payable and current debt. An alternative perspective would be the worth of a company's present Comparing the value of the liabilities that will mature over the following 12 months to the assets that will be turned into cash during that time. The current ratio is helpful because it indicates if a business has enough cash on hand to pay down short-term debt or whether cash flow issues are likely to arise soon.

The ratio that is most frequently used to display the ratio of current assets to current liabilities. Because it is a measurement of the working capital that is available at a given moment, it is also known as the "Working Capital Ratio." One can calculate the ratio by dividing current assets by the liabilities that are due today. It is a gauge of the company's short-term financial health and indicates whether it will be able to pay off its present debt as it becomes due. Recall that a current liability is one that will mature in less than a year. Examples of such liabilities are bank overdrafts, creditors, bills payable, outstanding expenses, and tax provisions. Likewise, present assets are located in the It is easily convertible into cash in a brief amount of time. They consist of cash on hand, bank account balance, stock, receivables, bills to be paid, accumulated income, prepaid expenses, easily marketable securities, etc.

$$current\ assets = \frac{current\ assets}{current\ liability}$$

Where,

Current Assets = Inventories + Sundry Debtors + Cash and Bank Balances + Receivables/ Accruals + Loans and Advances + Disposable Investments + Any other current assets.

Current Liabilities = Creditors for goods and services + Short term Loans + Bank Overdraft + Cash Credit + Outstanding Expenses + Provision for Taxation + Proposed Dividend + Unclaimed Dividend + Any other current liabilities.

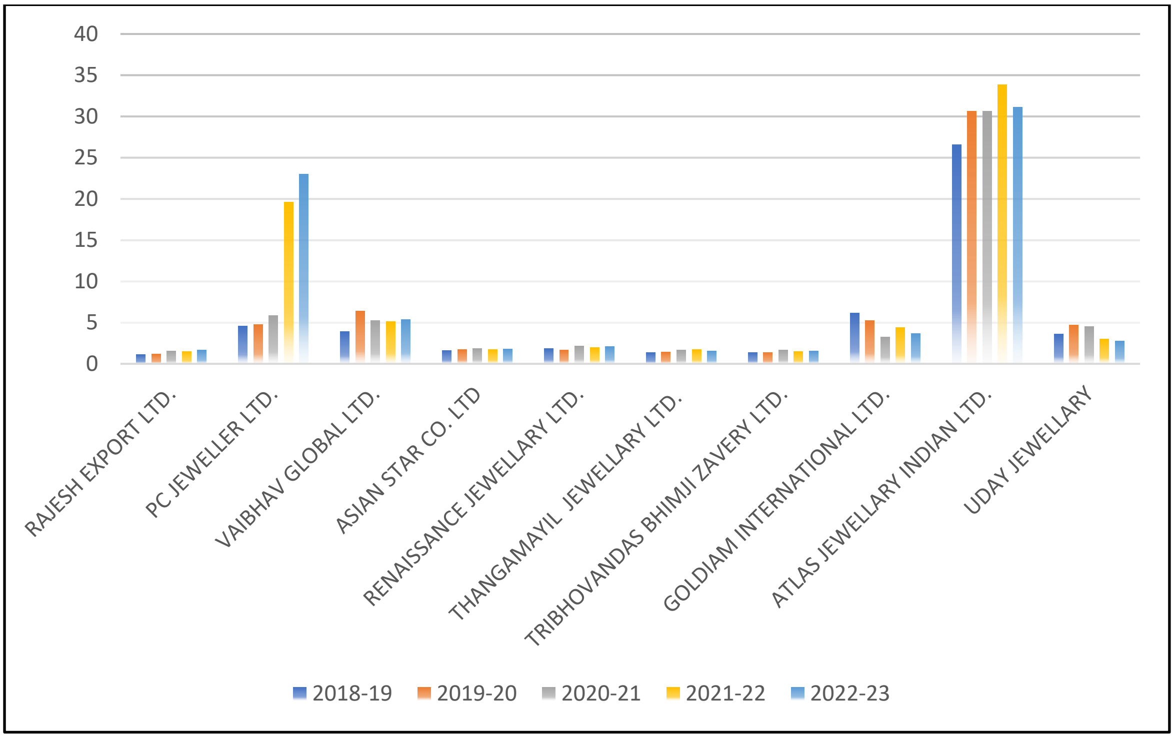
A company's ability to convert its product into cash or the effectiveness of its operating cycle can both be inferred from the current ratio. Liquidity issues might arise for businesses that experience extended inventory turnover or difficulty collecting on their receivables. thus, they are unable to lessen their responsibilities. It is usually more beneficial to compare businesses in the same industry. A current ratio of less than one is typically seen as a sign of possible future liquidity issues, but a ratio of 1.5 to 2.0 or 1.5 to 3.0 is seen as a sign of a company that is in good financial standing of ease of access.

Table No. 5.2 Current Ratio

COMPANY NAME	2018-19	2019-20	2020-21	2021-22	2022-23	company average
RAJESH EXPORT LTD.	1.11	1.17	1.56	1.51	1.66	1.402
PC JEWELLER LTD.	4.59	4.75	5.86	19.64	23.03	11.574
VAIBHAV GLOBAL LTD.	3.92	6.41	5.25	5.12	5.35	5.21
ASIAN STAR CO. LTD	1.64	1.75	1.85	1.72	1.78	1.748
RENAISSANCE JEWELLARY LTD.	1.85	1.68	2.17	1.95	2.09	1.948
THANGAMAYIL JEWELLARY LTD.	1.36	1.44	1.67	1.71	1.57	1.55
TRIBHOVANDAS BHIMJI ZAVERY LTD.	1.40	1.40	1.69	1.49	1.54	1.504
GOLDIAM INTERNATIONAL LTD.	6.16	5.22	3.26	4.38	3.67	4.538
ATLAS JEWELLARY INDIAN LTD.	26.57	30.66	30.64	33.84	31.14	30.57
UDAY JEWELLARY	3.60	4.71	4.51	3.01	2.75	3.716

(Source: Calculated from Annual Published Report of Selected Companies.)

Chart 5.2 Current Ratio



(Source: Self Constructed by Researcher)

RAJESH EXPORT LTD.

Rajesh Expo Ltd's current ratio, a measure of short-term liquidity, has shown an upward trend over the past five years. In 2019, the current ratio was 1.11, indicating a moderate level of liquidity. Subsequent years saw a steady increase with ratios of 1.16 in 2020, 1.56 in 2021, 1.51 in 2022, and 1.66 in 2023. The average current ratio for this period is 1.402, suggesting an overall improvement in the company's ability to cover short-term liabilities with its current assets. This positive trend may indicate better financial health and risk management.

PC JEWELLER LTD.

Over the past five years, PC Jeweller Ltd.'s current ratio has fluctuated dynamically, demonstrating the strength of its short-term liquidity. Starting at 4.59 in 2019, there was a little increase to 4.75 in 2020, and then a significant increase to 5.86 in 2021. But the most notable increase was in the years that followed, hitting 19.64 in 2022 and an astounding 23.03 in 2023. The company's ability to meet short-term obligations with its current assets is demonstrated by the five-year average current ratio of 11.547, which suggests sound financial management and possibly strong operational performance.

VAIBHAV GLOBAL LTD.

Over the last five years, Vaibhav Global Ltd.'s current ratio has shown erratic patterns that reflect the company's short-term liquidity fluctuations. There was a notable increase from 3.92 in 2019 to 6.41 in 2020, indicating more liquidity. There were some differences in the following years, with ratios of 5.52 in 2021, 5.12 in 2022, and 5.35 in 2023. The company's constant capacity to cover short-term obligations with current assets is demonstrated by the average current ratio of 5.21 throughout this period. This consistent performance shows sound financial management, strengthening the business's ability to withstand short-term financial difficulties.

ASIAN STAR CO. LTD

Over the previous five years, Asian Star Co. Ltd.'s current ratio showed a modest but generally stable trend, indicating its short-term liquidity situation. The value increased gradually from 1.64 in 2019 to 1.74 in 2020 and then to 1.85 in 2021. In 2022, the ratio slightly decreased to 1.72, but it increased to 1.78 in 2023. The company has demonstrated a balanced approach to managing liquidity during this period, as evidenced by its average current ratio of 1.748, which indicates that it has maintained a reasonable ability to fund short-term liabilities using current assets.

RENAISSANCE JEWELLARY LTD.

For the previous five years, Renaissance Jewellery Ltd.'s current ratio showed a steady and constant trajectory, demonstrating its strength in short-term liquidity. The ratio increased slightly from 1.85 in 2019 to 1.86 in 2020 and then more significantly to 2.17 in 2021. The ratio increased to 2.09 in 2023 after slightly declining to 1.95 in 2022. The company's average current ratio of 1.948 indicates that it managed its finances prudently during this time, demonstrating a consistent ability to meet short-term obligations using current assets.

THANGAMAYIL JEWELLARY LTD.

Over the previous five years, Thangamayil Jewellery Ltd.'s current ratio showed a progressive but slightly erratic trend, indicating its short-term liquidity position. From a 2019 starting point of 1.35, there was a slight rise to 1.44 in 2020 and a further increase to 1.67 in 2021. The ratio increased further in 2022, hitting 1.71, but in 2023 it slightly declined to 1.57. During this time, the company demonstrated a balanced approach to liquidity management by being able to meet short-term liabilities with current assets, as seen by its average current ratio of 1.55.

TRIBHOVANDAS BHIMJI ZAVERY LTD.

Over the previous five years, Tribhovandas Bhimji Zaveri Ltd.'s current ratio saw noticeable swings that were indicative of shifts in short-term liquidity. The ratio dropped dramatically to 1.40 in 2020 from a startlingly high 11.40 in 2019. The ratios in the following years, 1.69 in 2021, 1.49 in 2022, and 1.54 in 2023, indicated a slow recovery. The company's attempts to maintain a balanced short-term liquidity position are seen in the five-year average current ratio of 1.504, which represents a significant departure from the very high ratio observed in 2019.

GOLDIAM INTERNATIONAL LTD.

Over the last five years, Goldiam International Ltd.'s current ratio has shown a varying trend, which is indicative of shifts in its short-term liquidity. After peaking at 6.162 in 2019, there was a significant drop to 5.22 in 2020 and then 3.26 in 2021. In 2022, the ratio increased to 4.38, but in 2023, it slightly decreased to 3.67. The company's continuous attempts to manage short-term commitments with current assets are demonstrated by the five-year average current ratio of 4.538, yet the trend points to some variability in the company's situation through this time.

ATLAS JEWELLARY INDIAN LTD.

Over the last five years, Atlas Jewellery India Ltd.'s current ratio has shown a steadily strong trend, indicating exceptional short-term liquidity. The ratio increased steadily, hitting a startlingly high 26.57 in 2019 and going on to achieve 30.66 in 2020, 30.64 in 2021, and 33.84 in 2022. Even though the current ratio somewhat decreased to 31.14 in 2023, the five-year average is still an outstanding 30.57. This illustrates the company's steady and significant capacity to meet short-term liabilities with its present assets, demonstrating sound financial standing and efficient liquidity management.

UDAY JEWELLARY

Over the last five years, Uday Jewellery's current ratio showed a variety of movements that suggested shifts in its short-term liquidity. After a significant rise to 4.70 in 2020 from a starting point of 3.59 in 2019, there was a subsequent decline to 4.51 in 2021. In 2022, the ratio fell significantly to 3.01, and in 2023, it fell even further to 2.75. The company's ability to meet short-term liabilities with current assets is demonstrated by the five-year average current ratio of 3.716, albeit with significant variation. This implies that in order to maintain good financial health, constant monitoring of liquidity situations is necessary.

5.3 Quick Ratio

A liquidity ratio called the quick ratio, often known as the acid test ratio, assesses a company's capacity to settle its outstanding debts using its short-term assets alone. Current assets that can be turned into cash in less than 90 days are known as quick assets. brief. Quick assets include cash and cash equivalents, marketable securities, short-term investments, and current accounts receivable. Marketable securities, also known as trading securities, are securities that are readily convertible into cash within the next ninety days and are available for sale. Marketable securities are traded with a known price and easily accessible purchasers in an open market. Since stocks on the Stock Exchange can be easily sold to any investor during market hours, they are all regarded as marketable securities. The quick ratio is frequently referred to as the acid test ratio in relation to the early miners' historical usage of acid to test metals for gold. The metal was pure gold if it passed the acid test. Metal was a base metal and had no value if it corroded in the acid during the acid test. How well a business can turn its assets into cash fast enough to cover its present liabilities is demonstrated by the acid test of finance. Additionally, it displays the ratio of rapid assets to current Liabilities.

The Quick Ratio acknowledges that inventories can be somewhat illiquid for a large number of businesses. The company might have trouble finding a buyer if these inventory products needed to be sold quickly in order to satisfy a deadline, in which case they would probably have to be sold. at a significant reduction from their fair market worth. This ratio looks at the company's capacity to pay its debts by using its more liquid current asset accounts, including cash and accounts receivable, as the only source of information. This proportion is determined by dividing current liabilities by current assets less inventories. The quick ratio is a gauge of a company's ability to pay off debt immediately. It is a gauge of how readily available liquid resources are to satisfy immediate obligations. For a corporation, a quick ratio of 1:1 is deemed favorable.

$$\text{Quick Ratio} = \frac{Quick\ Assets}{Current\ Liability}$$

Where,

Quick Assets = Current Assets – Inventories

Current Liabilities = Creditors for goods and services + Short term Loans + Bank Overdraft + Cash Credit + Outstanding Expenses + Provision for Taxation + Proposed Dividend + Unclaimed Dividend + Any other current liabilities.

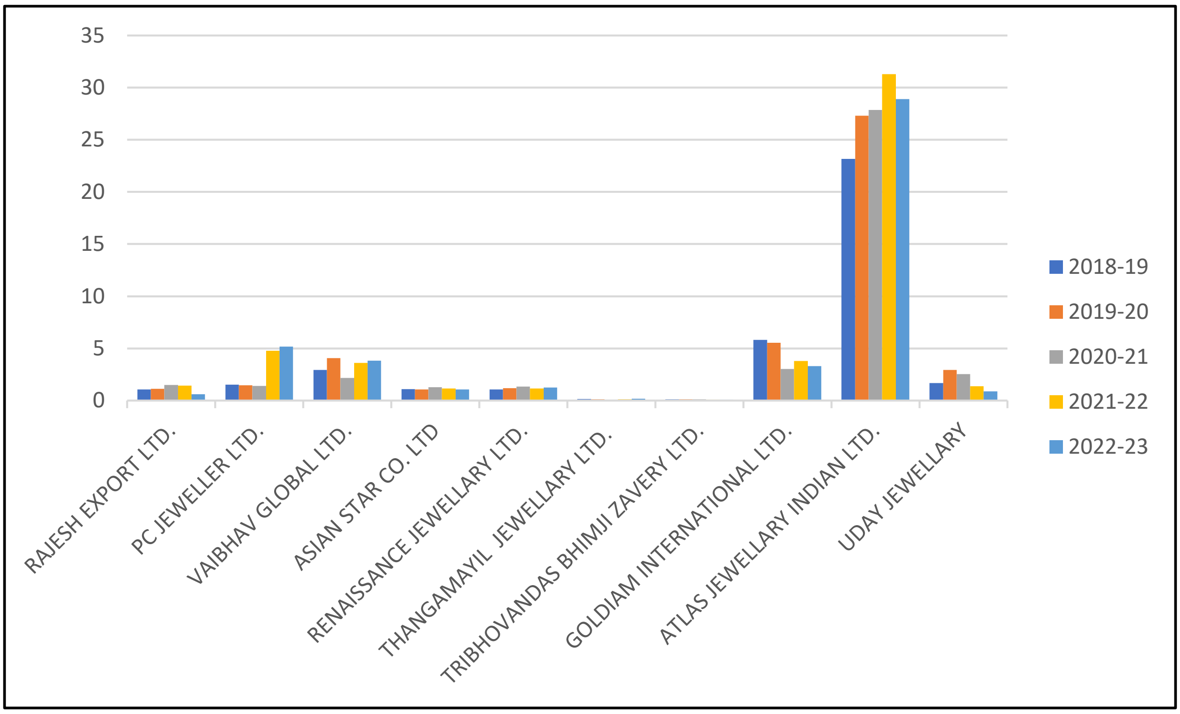
The accounting principle of caution is the rationale for including current liabilities in the quick ratio rather than quick liabilities. The prudential idea states that no liability should be minimized. Thus, cash credit and bank overdraft are also taking into account in this method because the corporation must pay it whenever it is due.

Table No. 5.3 Quick Ratio

COMPANY NAME	2018-19	2019-20	2020-21	2021-22	2022-23	company average
RAJESH EXPORT LTD.	1.07	1.12	1.48	1.43	0.6	1.14
PC JEWELLER LTD.	1.52	1.45	1.39	4.78	5.17	2.862
VAIBHAV GLOBAL LTD.	2.94	4.07	2.16	3.6	3.83	3.32
ASIAN STAR CO. LTD	1.09	1.08	1.28	1.17	1.08	1.14
RENAISSANCE JEWELLARY LTD.	1.05	1.20	1.34	1.15	1.25	1.198
THANGAMAYIL JEWELLARY LTD.	0.16	0.13	0.08	0.1	0.18	0.13
TRIBHOVANDAS BHIMJI ZAVERY LTD.	0.12	0.10	0.11	0.09	0.09	0.102
GOLDIAM INTERNATIONAL LTD.	5.83	5.54	3.03	3.80	3.30	4.3
ATLAS JEWELLARY INDIAN LTD.	23.17	27.31	27.86	31.28	28.90	27.704
UDAY JEWELLARY	1.67	2.92	2.53	1.37	0.89	1.876

(Source: Calculated from Annual Published Report of Selected Companies.)

Chart 5.3 Quick Ratio



(Source: Self Constructed by Researcher)

RAJESH EXPORT LTD.

A more precise indicator of short-term liquidity, Rajesh Exports Ltd's Quick Ratio, showed mixed patterns over the last five years. It rose from 1.07 in 2019 to 1.12 in 2020 and 1.48 in 2021, demonstrating a good capacity to meet short-term obligations using liquid assets. The Quick Ratio, on the other hand, fell to 1.43 in 2022 and then precipitously to 0.60 in 2023, suggesting that fulfilling short-term obligations without using inventories may prove difficult. The Quick Ratio's five-year average is 1.14, highlighting the significance of constantly observing the company's liquidity conditions.

PC JEWELLER LTD.

The Quick Ratio of PC Jeweller Ltd, which is a strict indicator of short-term liquidity, has shown erratic patterns over the last five years. It started at 1.52 in 2019 and decreased little to 1.45 in 2020 and 1.39 in 2021. But in 2022, there was a notable uptick, with a score of 5.17, showing a notable improvement in the capacity to pay short-term obligations with highly liquid assets. With an emphasis on more liquid assets, the company's overall capacity to satisfy short-term obligations is demonstrated by its five-year average Quick Ratio of 2.862.

VAIBHAV GLOBAL LTD.

Over the previous five years, Vaibhav Global Ltd's Quick Ratio—a gauge of its instantaneous liquidity—showed variations. It showed excellent liquidity, rising noticeably from 2.94 in 2019 to 4.07 in 2020. The Quick Ratio, however, fell to 2.16 in 2021, indicating possible difficulties fulfilling urgent obligations. In 2022, the ratio recovered to 3.60, and in 2023, it increased little to 3.83. The company's average Quick Ratio of 3.32 indicates that it has a careful approach to managing liquidity, as it can cover short-term commitments with more liquid assets.

ASIAN STAR CO. LTD

Over the last five years, Asian Star Co. Ltd.'s Quick Ratio—a strict indicator of immediate liquidity—has shown a generally steady trend. It began at 1.09 in 2019 and fluctuated little, hitting 1.07 in 2020, 1.28 in 2021, and a tiny dip to 1.17 in 2022. In 2023, the Quick Ratio dropped even further, to 1.08. The company continuously maintained a respectable ability to meet immediate commitments with highly liquid assets, as seen by its average Quick Ratio of 1.14, which shows a cautious and balanced approach to managing short-term liquidity.

RENAISSANCE JEWELLARY LTD.

Over the previous five years, Renaissance Jewellery Ltd.'s Quick Ratio—a crucial measure of immediate liquidity—showed a steady and somewhat rising trend. From a starting point of 1.05 in 2019, the ratio gradually increased to 1.19 in 2020, 1.34 in 2021, and finally dropped to 1.15 in 2022. In 2023, it somewhat recovered to 1.25. The company's average Quick Ratio of 1.198 indicates that it managed its short-term liquidity well throughout this time, indicating a solid ability to meet immediate obligations with highly liquid assets.

THANGAMAYIL JEWELLARY LTD.

Over the last five years, Thangamayil Jewellery Ltd's Quick Ratio—a gauge of its instantaneous liquidity—has fluctuated. It dropped from 0.15 in 2019 to 0.13 in 2020, suggesting that fulfilling urgent obligations would be difficult. After dropping to 0.08 in 2021, the ratio gradually improved to 0.10 in 2022 and 0.18 in 2023. The company's ability to meet short-term commitments with highly liquid assets varied, as seen by its average Quick Ratio of 0.13. This highlights the need for close observation and modifications to improve short-term liquidity management.

TRIBHOVANDAS BHIMJI ZAVERY LTD

Over the previous five years, Tribhovandas Bhimji Zaveri Ltd.'s Quick Ratio—a crucial indicator of immediate liquidity—remained largely steady. It began at 0.12 in 2019 and decreased slightly to 0.10 in 2020. Thereafter, there were only small variations, with ratios of 0.11 in 2021 and 0.09 in 2022 and 2023. The company's average Quick Ratio was 0.102, indicating a stable but limited capacity to meet short-term obligations with highly liquid assets. This implies that in order to maintain financial stability, short-term liquidity management requires caution.

GOLDIAM INTERNATIONAL LTD.

Over the previous five years, Goldiam International Ltd.'s Quick Ratio—a crucial indicator of quick liquidity—showed a downward trend. The ratio fell to 4.88 in 2020, 3.03 in 2021, and 3.80 in 2022 after reaching an astonishingly high 5.82 in 2019. In 2023, there was a minor decline to 3.30. The company had a consistently good ability to cover immediate liabilities with highly liquid assets, as seen by its average Quick Ratio of 4.3. However, the declining trend suggests that adjustments may be necessary for the best short-term liquidity management.

ATLAS JEWELLARY INDIAN LTD.

Over the last five years, Atlas Jewellery Indian Ltd.'s Quick Ratio—a critical indicator of immediate liquidity—has shown a steadily positive and rising trend. It rose from a startlingly high 23.17 in 2019 to 27.31 in 2020, 27.86 in 2021, and finally 31.28 in 2022. The company's great average Quick Ratio of 27.704 was maintained even if it decreased slightly to 28.90 in 2023. This demonstrates a strong ability to meet short-term obligations with highly liquid assets and emphasizes efficient short-term liquidity management at this time.

UDAY JEWELLARY

Over the last five years, Uday Jewellery's Quick Ratio—a crucial measure of its instantaneous liquidity—showed variations. Its robust liquidity was demonstrated by its large increases from 1.66 in 2019 to 2.91 in 2020 and 2.53 in 2021. But the Quick Ratio fell precipitously to 1.37 in 2022 and then fell much lower to 0.89 in 2023. Although the recent fall indicates possible issues requiring careful attention to maintain short-term liquidity, the company's capacity to meet immediate liabilities with highly liquid assets is reflected in the average Quick Ratio for the five-year period of 1.876.

5.4 Debt to Equity Ratio

A company's capital structure and whether it depends more on shareholder capital (equity) or borrowings (debt) to fund its assets and operations are indicated by the debt-to-equity ratio. Despite popular belief, debt is not always a negative thing. When debt is utilized for worthwhile endeavors like asset acquisition and process improvement to boost net profits, it can be beneficial. Depending on the industry, different debt to equity ratios may be acceptable. Because they must make larger investments in fixed assets, capital-intensive businesses typically have higher ratios.

Generally speaking, a higher ratio denotes increased danger. Higher debt can lead to more variable earnings since it incurs more interest costs and makes a company more susceptible to downturns in the economy. However, much like all other ratios, the DE ratio will have greater significance. when contrasted throughout time. A shift in the ratios may indicate that earlier investments are beginning to pay off, which would increase retained earnings and, in turn, shareholder equity.

$$\text{Debt to Equity Ratio} = \frac{Total\ Debt}{Share\ holder\ funds}$$

Total debt includes long term borrowings as well as short term borrowings.

Shareholders ‘Funds = Equity Share Capital + Preference Share Capital + Reserve and Surplus.

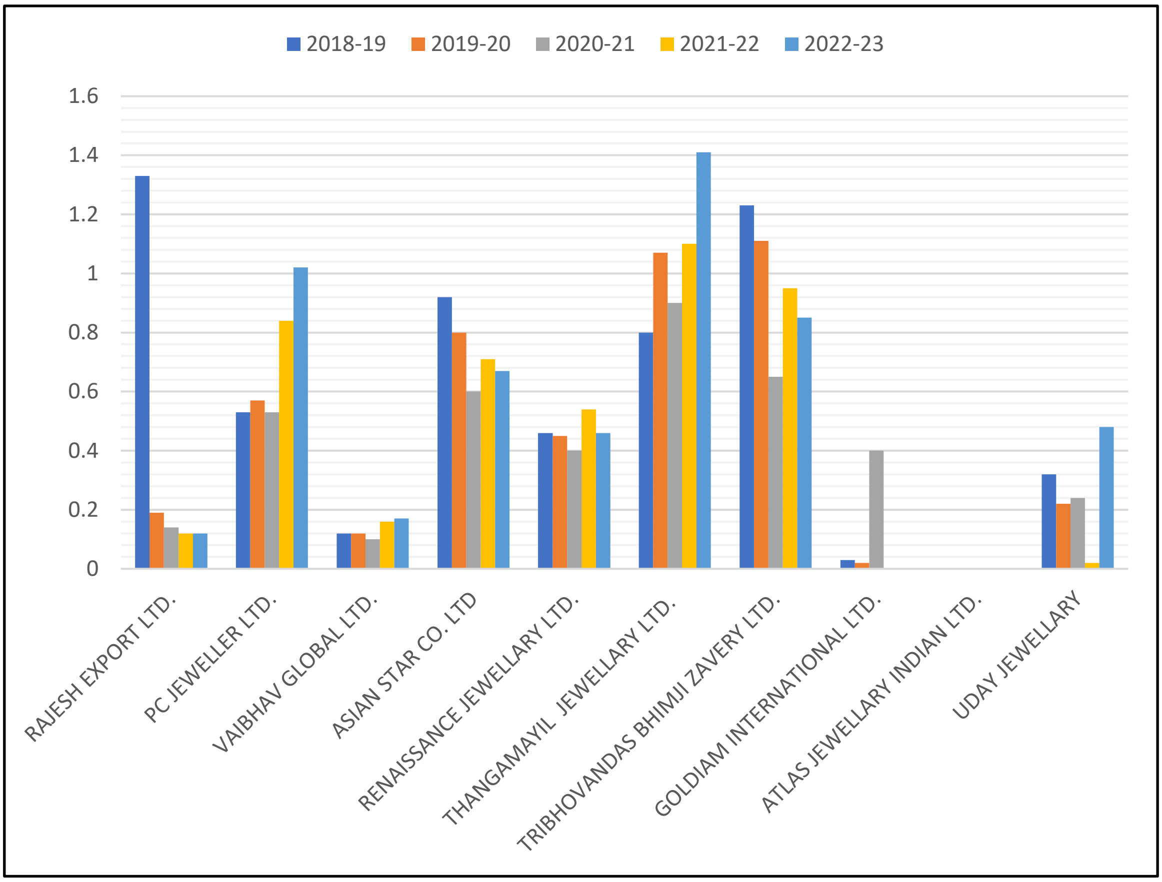
This ratio is used to determine the amount of capital that owners contribute to a business venture as well as the amount of asset "cushion" that creditors may access upon liquidation. The ratio's generally accepted norm is 1:1. In theory, the higher the more stable a company's financial circumstances would be, the more aligned the owners' interests are with those of creditors. Notably, in the examination of the short-term financial status, this ratio is equally significant to the current ratio. A greater ratio indicates that creditors other than the company's owners have a stronger claim. Creditor pressure would escalate, and their meddling would also rise. When borrowing money, the corporation with a large debt position will have to agree to harsher terms from the lenders.

Table No. 5.4 Debt to Equity Ratio

COMPANY NAME	2018-19	2019-20	2020-21	2021-22	2022-23	company average
RAJESH EXPORT LTD.	1.33	0.19	0.14	0.12	0.12	0.38
PC JEWELLER LTD.	0.53	0.57	0.53	0.84	1.02	0.698
VAIBHAV GLOBAL LTD.	0.12	0.12	0.10	0.16	0.17	0.134
ASIAN STAR CO. LTD	0.92	0.80	0.60	0.71	0.67	0.74
RENAISSANCE JEWELLARY LTD.	0.46	0.45	0.40	0.54	0.46	0.462
THANGAMAYIL JEWELLARY LTD.	0.80	1.07	0.90	1.10	1.41	1.056
TRIBHOVANDAS BHIMJI ZAVERY LTD.	1.23	1.11	0.65	0.95	0.85	0.958
GOLDIAM INTERNATIONAL LTD.	0.03	0.02	0.40	0.00	0.00	0.09
ATLAS JEWELLARY INDIAN LTD.	0.00	0.00	0.00	0.00	0.00	0
UDAY JEWELLARY	0.32	0.22	0.24	0.02	0.48	0.256

(Source: Calculated from Annual Published Report of Selected Companies.)

Chart 5.4 Debt to Equity Ratio



(Source: Self Constructed by Researcher)

RAJESH EXPORT LTD.

Over the last five years, Rajesh Exports Ltd.'s debt-to-equity ratio—a critical indicator of financial leverage—has been trending downward. It started at 1.33 in 2019 and dropped sharply to 0.19 in 2020. In 2021, it dropped even further to 0.14, and in 2022 and 2023, it dropped to 0.12. The company has consistently worked to lower its reliance on debt and maintain a healthy balance between debt and equity in its capital structure, as evidenced by the five-year average Debt-to-Equity Ratio of 0.38, which should improve overall financial stability.

PC JEWELLER LTD.

Throughout the previous five years, PC Jeweller Ltd.'s debt-to-equity ratio—a crucial indicator of financial leverage—has shown a variety of changes. It began at 0.53 in 2019 and was rather constant at 0.57 in 2020 before declining slightly to 0.53 in 2021. But in 2022, there was a noticeable rise, hitting 0.84, and in 2023, it increased even more to 1.02. The company's debt-to-equity ratio, which has been 0.698 over the past five years, indicates moderate reliance on debt; nonetheless, the recent higher trend raises the possibility that the company's financial leverage needs to be carefully managed and monitored.

VAIBHAV GLOBAL LTD.

Over the last five years, Vaibhav Global Ltd.'s debt-to-equity ratio, a crucial measure of financial leverage, has shown a generally steady trajectory. In 2020 and 2021, the ratio did not change from its low of 0.11 in 2019. The value increased marginally to 0.16 in 2022 and then again to 0.17 in 2023. A balanced capital structure and a usually conservative approach to finance are shown by the five-year average Debt-to-Equity Ratio of 0.134. The company's low debt load indicates prudent risk management and strong financial stability throughout this time.

ASIAN STAR CO. LTD

Over the last five years, Asian Star Co. Ltd.'s debt-to-equity ratio—a crucial financial indicator of the degree of financial leverage—has been trending downward. It started at 0.92 in 2019 and dropped to 0.80 in 2020. In 2021 and 2022, it dropped even further to 0.60 and 0.71. In 2023, the ratio dropped even more to 0.67. The company has demonstrated a concerted commitment to maintain a balanced capital structure and careful financial management over the past five years, as seen by its average debt-to-equity ratio of 0.74.

RENAISSANCE JEWELLARY LTD.

Over the last five years, Renaissance Jewellery Ltd.'s Debt-to-Equity Ratio—a crucial indicator of financial leverage—has shown a generally steady development. The ratio experienced a slight decrease to 0.44 in 2020 and a further decrease to 0.40 in 2021, after beginning at 0.45 in 2019. In 2022, there was a minor rise to 0.54; but, in 2023, the value returned to 0.46. The company has demonstrated a constant effort to maintain a balanced capital structure and effective control over financial leverage over the course of the last five years, as seen by the average debt-to-equity ratio of 0.462.

THANGAMAYIL JEWELLARY LTD.

Over the last five years, Thangamayil Jewellery Ltd.'s debt-to-equity ratio—a critical indicator of financial leverage—has exhibited an erratic pattern. The ratio began at 0.79 in 2019 and significantly grew to 1.07 in 2020 before declining to 0.90 in 2021. But after that, there was an increase to 1.10 in 2022 and then 1.41 in 2023. The company's varied reliance on debt and efforts to manage its capital structure while attending to financial obligations during this time are reflected in the five-year average Debt-to-Equity Ratio of 1.056.

TRIBHOVANDAS BHIMJI ZAVERY LTD.

The Debt-to-Equity Ratio of Tribhovandas Bhimji Zaveri Ltd., an important financial metric, has fluctuated during the previous five years. The ratio showed a decline in reliance on debt, starting at 1.22 in 2019 and going down to 1.11 in 2020 before dropping further to 0.65 in 2021. After that, there was a minor decline to 0.85 in 2023 and a further climb to 0.95 in 2022. The company's attempt to manage its financial leverage throughout this time while maintaining a balanced capital structure is indicated by the five-year average Debt-to-Equity Ratio of 0.958.

GOLDIAM INTERNATIONAL LTD.

Over the last five years, Goldiam International Ltd.'s debt-to-equity ratio, a crucial financial indicator, has fluctuated significantly. The ratio dropped even more to 0.01 in 2020 after starting abnormally low at 0.03 in 2019. In 2021, there was a sharp rise to 0.40, and in 2022 and 2023, there was a noticeable decline to 0. The average debt-to-equity ratio over the last five years is 0.09, which suggests a complex financial profile with fluctuating debt-to-equity ratios during this time. This calls for careful examination and prudent financial management.

ATLAS JEWELLARY INDIAN LTD.

For the previous five years, Atlas Jewellery Indian Ltd. continuously kept its Debt-to-Equity Ratio at zero, indicating that debt financing was not a part of its capital structure. This suggests that the business takes a cautious approach to finance, depending only on stock to fund operations and investments. A full assessment of a company's financial health and sustainability necessitates taking into account other financial measures and its overall financial strategy, even if a zero debt-to-equity ratio generally denotes lesser financial risk.

UDAY JEWELLARY

Over the previous five years, Uday Jewellery's debt-to-equity ratio has seen a dynamic pattern. The ratio fell from 0.31 in 2019 to 0.21 in 2020, suggesting a brief decline in the use of debt. Nonetheless, the ratio somewhat increased to 0.24 in 2021. Notably, there was a notable decline to 0.02 in 2022, indicating a substantial reduction in financial leverage. In 2023, the ratio shot up to 0.48. The average Debt-to-Equity Ratio for the last five years is 0.256, which indicates a combination of more leveraged and conservative financial practices throughout this time.

5.5 Interest Coverage Ratio

This ratio, sometimes referred to as the "times interest earned ratio," shows how well the company can pay its fixed charge and interest obligations. The ability of a business to manage its outstanding debt is gauged by the interest coverage ratio. It is among several. debt ratios that are useful for assessing the financial health of an organization. Market analysts and investors alike stress the importance of a strong interest coverage ratio since without it, a business cannot expand or even exist the interest charged on its outstanding debts to creditors. The number of fiscal years for which interest payments can be made using the company's currently available earnings is commonly referred to as "coverage". To put it another way, it shows how many times the business can pay its responsibilities with its profits.

This ratio is computed as:

$$\text{Interest Coverage Ratio} = \frac{EBIT}{Interest}$$

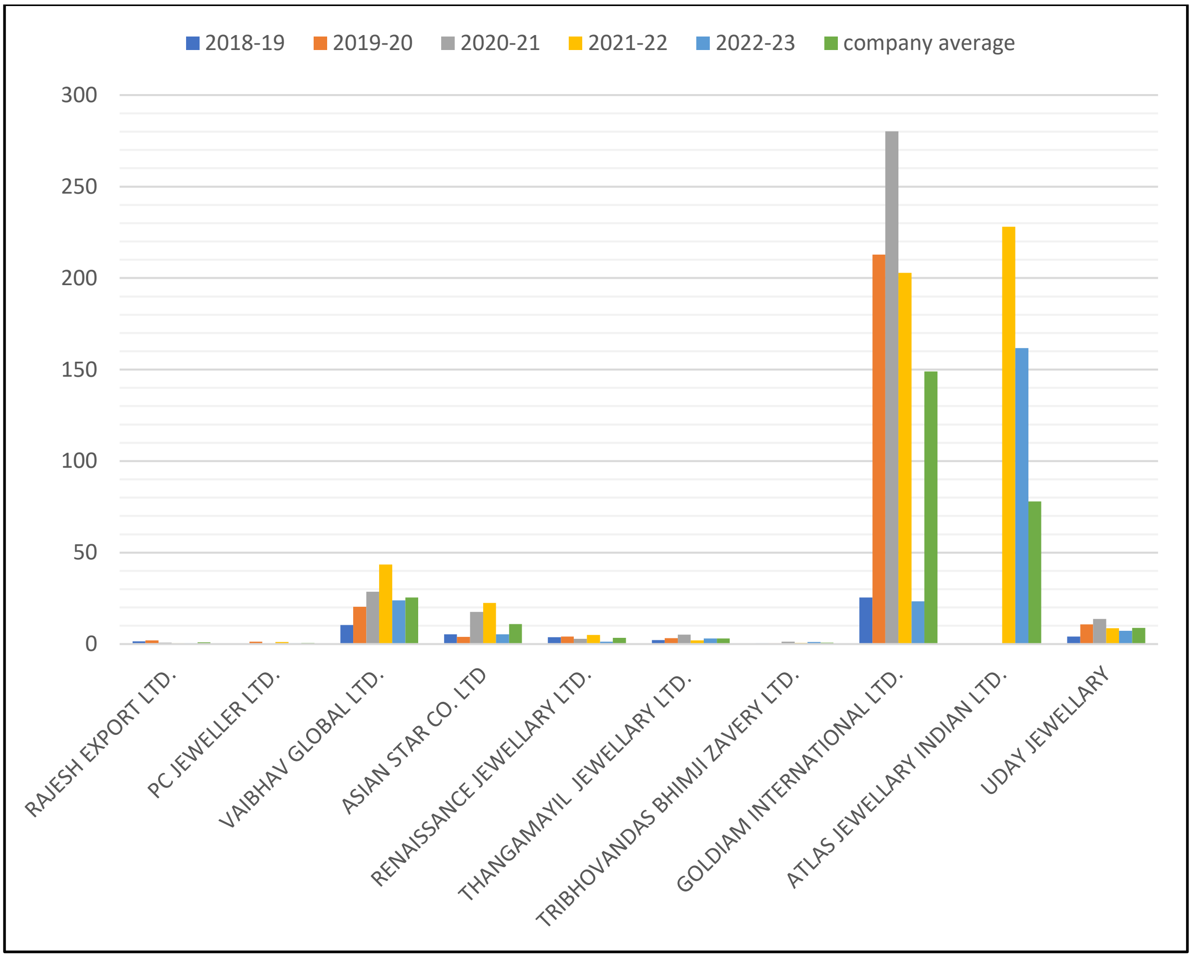
Since interest on loan money is a deductible item, the ability to pay interest is unaffected by tax burden, which is why earnings before interest and taxes are utilized in the numerator of this ratio. This ratio shows how much earnings may decline without putting the company in a difficult situation when it comes to paying interest rates. An organization can readily satisfy its interest payments even in the event of a significant fall in earnings before interest and taxes if it has a high interest coverage ratio. An lower ratio suggests inefficient operations or excessive debt use.

Table No. 5.5 Interest Coverage Ratio

COMPANY NAME	2018-19	2019-20	2020-21	2021-22	2022-23	company average
RAJESH EXPORT LTD.	1.45	2.04	0.75	0.36	0.4	1
PC JEWELLER LTD.	0.008	1.34	0.01	1.16	0.49	0.6016
VAIBHAV GLOBAL LTD.	10.43	20.41	28.59	43.56	23.92	25.382
ASIAN STAR CO. LTD	5.31	3.95	17.64	22.47	5.31	10.936
RENAISSANCE JEWELLARY LTD.	3.74	4.19	2.88	4.98	1.38	3.434
THANGAMAYIL JEWELLARY LTD.	2.23	3.28	5.10	1.98	3.09	3.136
TRIBHOVANDAS BHIMJI ZAVERY LTD.	0.49	0.51	1.24	0.64	1.15	0.806
GOLDIAM INTERNATIONAL LTD.	25.39	212.75	280.2	202.88	23.27	148.898
ATLAS JEWELLARY INDIAN LTD.	0	0	0	228	161.66	77.932
UDAY JEWELLARY	4.19	10.68	13.71	8.65	7.33	8.912

(Source: Calculated from Annual Published Report of Selected Companies.)

Chart 5.5 Interest Coverage Ratio



(Source: Self Constructed by Researcher)

RAJESH EXPORT LTD.

Over the last five years, Rajesh Exports Ltd.'s Interest Coverage Ratio has fluctuated. This ratio is a critical financial indicator of the company's capacity to pay interest. The ratio rose from 1.45 in 2019 to 2.04 in 2020, indicating a better ability to pay interest costs. However, there was a significant drop to 0.75 in 2021, and more drops to 0.36 in 2022 and 0.40 in 2023 indicated possible difficulties paying interest. The Interest Coverage Ratio during the last five years is 1, indicating a general ability to pay interest, but with fluctuations.

PC JEWELLER LTD.

For the previous five years, PC Jeweller Ltd.'s Interest Coverage Ratio—a crucial financial indicator of the business's capacity to pay interest—has shown a great deal of volatility. As a result of better coverage, there was a noticeable improvement to 0.33 in 2020 from an exceptionally low starting point of 0.008 in 2019. A notable rebound to 1.16 in 2022 followed a precipitous drop to 0.01 in 2021 that aroused concerns. In 2023, the ratio fell to

0.49 once more. The Interest Coverage Ratio during the last five years is 0.6016, indicating a mixed capacity to pay interest over this time.

VAIBHAV GLOBAL LTD.

Over the last five years, Vaibhav Global Ltd's Debt-to-Equity Ratio—a crucial measure of financial leverage—has shown a cyclical pattern. It started at a high of 10.43 in 2019 and grew dramatically to 20.41 in 2020 before continuing to soar to 28.59 in 2021. The ratio fell to 23.92 in 2023 after peaking at 43.56 in 2022, indicating increased financial leverage. The company's capital structure may have included different amounts of debt over the course of the last five years, as indicated by the average Debt-to-Equity Ratio of 25.382. This could have an impact on the stability and risk of the company's finances.

ASIAN STAR CO. LTD

Throughout the last five years, Asian Star Co. Ltd.'s Interest Coverage Ratio has shown notable swings, which is a crucial financial metric indicating the company's capacity to pay interest. The ratio dropped much more in 2020, from a healthy 5.31 in 2019 to 3.95. Nonetheless, there was a notable spike to 17.64 in 2021 and a significant rise to 22.47 in 2022. In 2023, the ratio went back to 5.31. With a high peak in 2022, the five-year average Interest Coverage Ratio of 10.936 indicates a fluctuating ability to meet interest expenses.

RENAISSANCE JEWELLARY LTD.

Over the last five years, Renaissance Jewellery Ltd.'s Interest Coverage Ratio—a critical financial indicator of the company's capacity to pay interest—has shown a variety of patterns. Starting at a robust 3.74 in 2019, the ratio grew little to 4.19 in 2020 before declining to 2.88 in 2021. A notable comeback to 4.98 in 2022 was followed by a decline to 1.38 in 2023. The average interest coverage ratio for the last five years is 3.434, which shows a combination of easy and difficult times covering interest costs over this time.

THANGAMAYIL JEWELLARY LTD.

Over the course of the last five years, Thangamayil Jewellery Ltd.'s debt-to-equity ratio—a crucial indicator of financial leverage—has shown a variety of changes. It began at 2.23 in 2019 and rose noticeably to 3.28 in 2020 before hitting 5.10 in 2021. But in 2022, the ratio significantly decreased to 1.98, and in 2023, it moderately increased to 3.09. The company's capital structure has fluctuated, with an average Debt-to-Equity Ratio of 3.136, suggesting possible changes in financial risk and leveraging techniques during this time.

TRIBHOVANDAS BHIMJI ZAVERY LTD.

Over the last five years, Tribhovandas Bhimji Zaveri Ltd.'s Interest Coverage Ratio—a crucial financial indicator of the business's capacity to pay interest—has displayed a range of developments. The ratio began at 0.49 in 2019 and climbed slightly to 0.51 in 2020 before experiencing a significant spike to 1.24 in 2021. But then, in 2022, there was a fall to 0.64, and in 2023, there was a rise to 1.15. The average interest coverage ratio for the last five years is 0.806, which shows a combination of difficult and better times in terms of paying interest costs throughout this time.

GOLDIAM INTERNATIONAL LTD.

Goldiam International Ltd's Interest Coverage Ratio, a critical financial metric depicting the company's ability to meet interest payments, has shown substantial variability over the past five years. Starting impressively high at 25.39 in 2019, the ratio surged significantly to 212.75 in 2020 and further increased to 280.2 in 2021. However, there was a notable decline to 202.88 in 2022 and a substantial drop to 23.27 in 2023. The five-year average Interest Coverage Ratio is 148.898, indicating a mix of extremely robust and challenging periods in covering interest expenses during this time.

ATLAS JEWELLARY INDIAN LTD.

A key financial indicator of the company's capacity to pay interest, the Interest Coverage Ratio of Atlas Jewellery Indian Ltd. has fluctuated significantly during the previous five years. The ratio began at zero in 2019 and stayed at that level in 2020 and 2021. In 2022, it saw a notable increase to 228 and a considerable decline to 161.66 in 2023. The company's capacity to cover interest expenses varies greatly, as evidenced by the five-year average Interest Coverage Ratio of 77.932, which shows an extraordinary peak in 2022 and a following decline in 2023.

UDAY JEWELLARY

Over the last five years, Uday Jewellery's Interest Coverage Ratio—a critical financial indicator that shows the company's capacity to pay interest—has shown a variety of changes. The ratio increased noticeably from a strong 4.19 in 2019 to 10.68 in 2020 and then to 13.71 in 2021. But after that, there was a drop to 8.65 in 2022 and then another to 7.33 in 2023. The average interest coverage ratio for the last five years is 8.912, indicating a combination of strong and modest periods in terms of paying interest throughout this time.

5.6 Debt to Assets Ratio

This debt to asset ratio shows how much debt a company has overall in relation to its assets. Analysts can compare a company's leverage to that of other businesses in the same industry by using this indicator. This data may demonstrate how financially How steady a corporation is. The degree of leverage is likewise high when this ratio is high, which raises the danger of investing in that company. The ratio of the company's total debt to total assets indicates which assets are financed by debt as opposed to equity. This ratio, when computed over several years, illustrates the growth and asset acquisition trajectory of a corporation over time. Investors analyse the ratio to determine whether the company can pay a return on investment and whether it has sufficient cash on hand to cover its present debt obligations. The ratio is used by creditors to determine the company's current debt load and ability to make loan payments. This will decide whether or not the company gets further financing.

This ratio is computed as:

$$\text{Debt to Assets Ratio} = \frac{Total\ Debt}{Total\ Asset}$$

The ratio of total debt to total assets examines a company's balance sheet by taking into account all assets, both tangible and intangible, as well as long-term (loans maturing over a year) and short-term (loans maturing within a year) kindness.

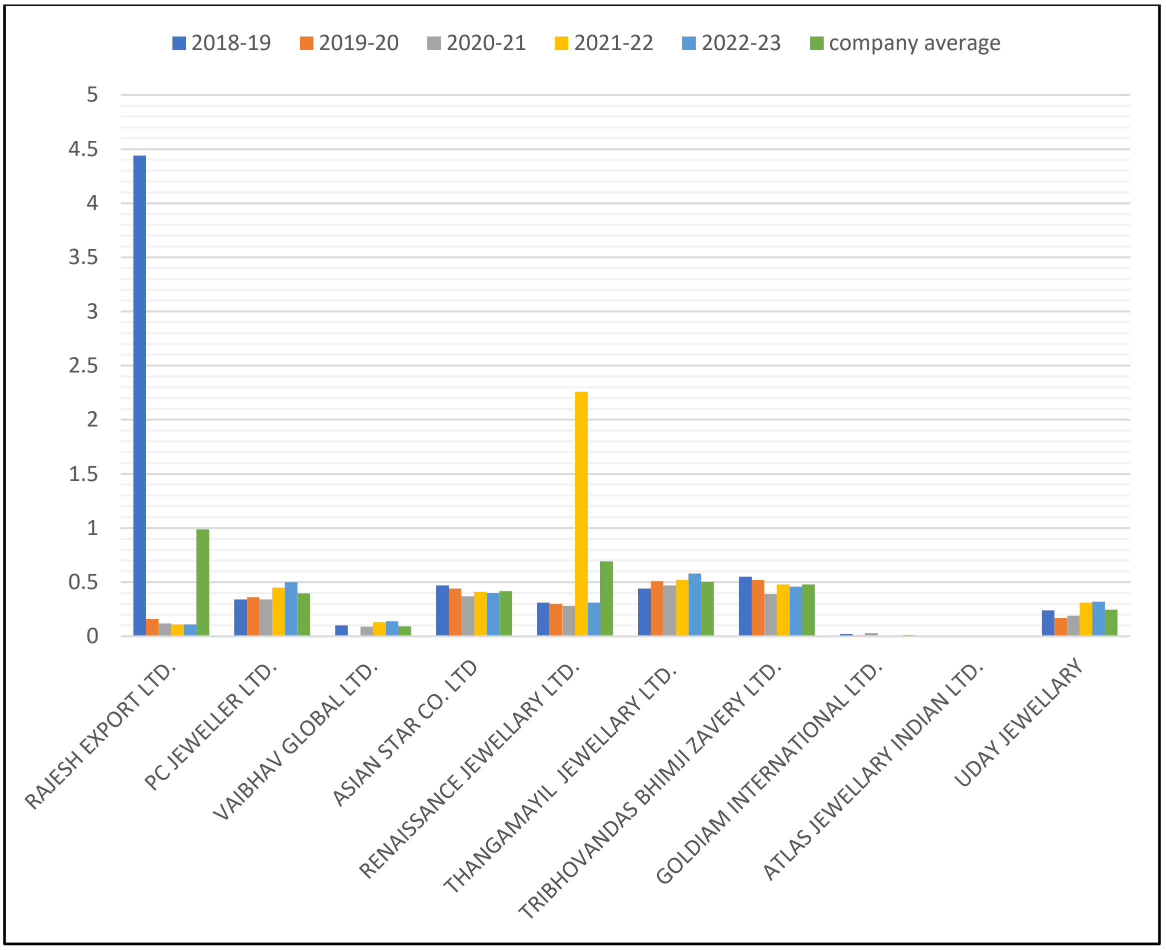
Because it combines all tangible and intangible assets together, the total-debt-to-total-assets ratio has the drawback of not indicating the quality of the assets.

Table No. 5.6 Debt to Assets Ratio

COMPANY NAME	2018-19	2019-20	2020-21	2021-22	2022-23	company average
RAJESH EXPORT LTD.	4.44	0.16	0.12	0.11	0.11	0.988
PC JEWELLER LTD.	0.34	0.36	0.34	0.45	0.5	0.398
VAIBHAV GLOBAL LTD.	0.10	0.10	0.09	0.13	0.14	0.092
ASIAN STAR CO. LTD	0.47	0.44	0.37	0.41	0.4	0.418
RENAISSANCE JEWELLARY LTD.	0.31	0.30	0.28	2.26	0.31	0.692
THANGAMAYIL JEWELLARY LTD.	0.44	0.51	0.47	0.52	0.58	0.504
TRIBHOVANDAS BHIMJI ZAVERY LTD.	0.55	0.52	0.39	0.48	0.46	0.48
GOLDIAM INTERNATIONAL LTD.	0.02	0.01	0.03	0.00	0.00	0.012
ATLAS JEWELLARY INDIAN LTD.	0.00	0.00	0.00	0.00	0.00	0
UDAY JEWELLARY	0.24	0.17	0.19	0.31	0.32	0.246

(Source: Calculated from Annual Published Report of Selected Companies.)

Chart 5.6 Debt To Assets Ratio



(Source: Self Constructed by Researcher)

RAJESH EXPORT LTD.

Over the last five years, Rajesh Exports Ltd.'s debt-to-assets ratio—a crucial financial indicator that shows the ratio of debt to total assets—has shown notable fluctuations. After peaking at 4.44 in 2019, the ratio fell sharply to 0.16 in 2020 and then again to 0.12 in 2021, staying at that level in 2022 and 2023. The company's five-year average Debt-to-Assets Ratio of 0.988 indicates a deliberate attempt to lower its debt load and maybe improve its financial condition during this time.

PC JEWELLER LTD.

Over the last five years, PC Jeweller Ltd.'s Debt-to-Assets Ratio—a crucial financial indicator that shows the percentage of debt compared to total assets—has shown a generally steady trajectory. After starting at 0.34 in 2019, the ratio remained steady, rising to 0.36 in 2020 and 0.34 in 2021. In 2022, there was a minor increase to 0.45, and in 2023, there was a further increase to 0.50. The company's low reliance on debt to finance its assets during the past five years is reflected in the average Debt-to-Assets Ratio of 0.398.

VAIBHAV GLOBAL LTD.

Over the last five years, Vaibhav Global Ltd.'s Debt-to-Assets Ratio—a crucial financial indicator that shows the percentage of debt to total assets—has exhibited a generally stable trajectory. The ratio started out modestly in 2019 at 0.10 and stayed steady at that level in 2020 and 2021. The value increased marginally to 0.13 in 2022 and then again to 0.14 in 2023. The Debt-to-Assets Ratio during the last five years is 0.092, which suggests a typically cautious approach to financing assets and preserving financial stability throughout this time.

ASIAN STAR CO. LTD

Over the last five years, Asian Star Co. Ltd.'s debt-to-assets ratio—a critical financial indicator that shows the percentage of debt to total assets—has shown a generally steady trajectory. The ratio fluctuated slightly, starting at 0.47 in 2019 and ending at 0.44 in 2020, 0.37 in 2021, 0.41 in 2022, and 0.40 in 2023. The Debt-to-Assets Ratio's five-year average of 0.418 indicates a prudent strategy for financing assets with debt while preserving financial stability.

RENAISSANCE JEWELLARY LTD.

Over the last five years, Renaissance Jewellery Ltd.'s Debt-to-Assets Ratio—a crucial financial indicator showing the percentage of debt to total assets—has shown a variety of changes. The ratio started at 0.31 in 2019 and was rather steady at 0.30 in 2020 and 0.28 in 2021. But in 2022, there was a notable rise to 2.26, and in 2023, it dropped down to 0.31. The average debt-to-assets ratio during the last five years is 0.692, indicating a combination of highly leveraged and cautious financial techniques were used to finance assets during this time.

THANGAMAYIL JEWELLARY LTD.

Over the last five years, Thangamayil Jewellery Ltd.'s Debt-to-Assets Ratio—a critical financial statistic that shows the percentage of debt compared to total assets—has exhibited a generally steady trajectory. The ratio began to fluctuate in 2019 at 0.44 and increased gradually to 0.51 in 2020, 0.47 in 2021, 0.52 in 2022, and 0.58 in 2023. The Debt-to-Assets Ratio during the last five years is 0.504, indicating a balanced strategy to financing assets with debt while preserving financial stability during this time.

TRIBHOVANDAS BHIMJI ZAVERY LTD.

Over the last five years, Tribhovandas Bhimji Zaveri Ltd.'s Debt-to-Assets Ratio—a crucial financial indicator showing the ratio of debt to total assets—has shown a generally constant trajectory. The ratio fluctuated somewhat, starting at 0.55 in 2019 and rising to 0.52 in 2020, 0.39 in 2021, 0.48 in 2022, and 0.46 in 2023. The average Debt-to-Assets Ratio during the last five years is 0.48, indicating a prudent strategy for financing assets with debt while preserving financial stability during this time.

GOLDIAM INTERNATIONAL LTD.

The Debt-to-Assets Ratio of Goldiam International Ltd., a crucial financial indicator that shows the ratio of debt to total assets, has fluctuated significantly over the last five years. From a low of 0.02 in 2019, the ratio fell to 0.01 in 2020, increased marginally to 0.03 in 2021, and then fell to zero in 2022 and 2023. The average Debt-to-Assets Ratio for the last five years is 0.0012, suggesting a generally cautious strategy with very little reliance on debt to finance assets over this time.

ATLAS JEWELLARY INDIAN LTD.

For the previous five years, Atlas Jewellery Indian Ltd.'s debt-to-assets ratio has continuously stayed at zero. This shows that the business hasn't used debt to finance its assets throughout this time. When a company's debt-to-assets ratio is zero, it indicates a cautious financial approach in which all of its funding comes from equity, both for operations and investments. Even while this can point to less financial risk, a thorough assessment must take into account the company's overall financial health as well as the larger financial backdrop.

UDAY JEWELLARY

Over the last five years, Uday Jewellery's debt-to-assets ratio—a crucial financial indicator that shows the ratio of debt to total assets—has been steadily rising. The ratio began at 0.24 in 2019 and fell to 0.17 in 2020. From then, it steadily increased to 0.19 in 2021, 0.31 in 2022, and 0.32 in 2023. With a substantial increase in the later years, the five-year average

Debt-to-Assets Ratio of 0.246 indicates a moderate reliance on debt to finance assets throughout this period.

5.7 Return on Assets Ratio

A measure of a company's profitability in relation to its total assets is called return on assets, or ROA. An analyst, investor, or manager can determine a company's level of asset utilization efficiency by looking at its return on assets (ROA). Asset return is presented as a percentage.

The link between net earnings and the assets used to generate those profits is used to measure this profitability ratio. This ratio calculates the company's profitability based on the assets that are used by the company.

Simply said, return on assets (ROA) indicates how much was earned from invested capital (assets). The return on assets (ROA) of publicly traded corporations varies significantly and is largely industry-specific. Consequently, while utilizing ROA as a When using a comparison measure, it is advisable to compare it to the ROA of a similar company or to the company's prior ROA figures.

Investors can determine the company's effectiveness in turning its investments into net income by looking at its return on assets (ROA) ratio. The better the ROA figure, the more money the business is making on a given amount of investment.

Recall that the amount of a company's liabilities and shareholder equity equals its total assets. The company's operations are financed by these two forms of funding. Since debt or stock is used to fund a company's assets, some analysts and investors For the purpose of calculating ROA, add back interest and ignore the asset's acquisition cost.

As a formula, it would be expressed as:

$$Return\ on\ Assets\ Ratio = \frac{Net\ income}{Avarage\ total\ assets} * 100$$

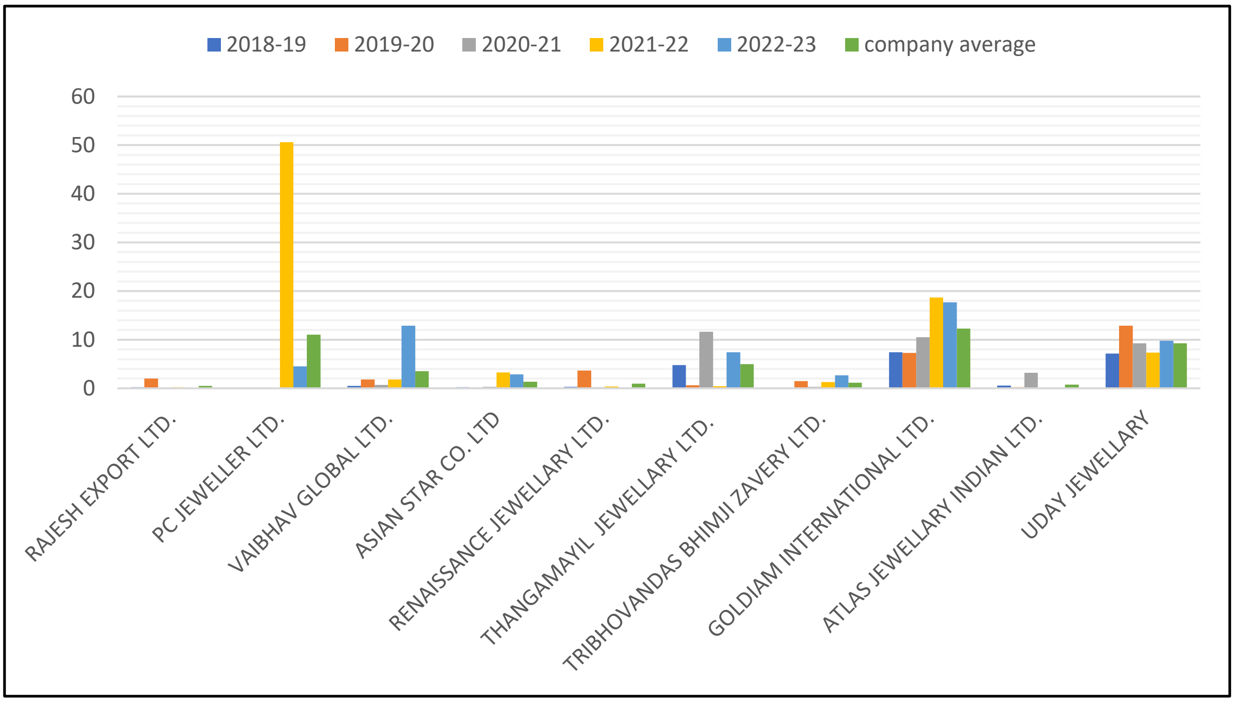
The return on assets (ROA) in this ratio shows how much money was made for every rupee of assets. As a result, a company that has a higher return on assets is more likely to be successful and efficient.

Table No. 5.7 Return on Assets Ratio

COMPANY NAME	2018-19	2019-20	2020-21	2021-22	2022-23	company average
RAJESH EXPORT LTD.	0.21	2.04	0.07	0.24	0.03	0.518
PC JEWELLER LTD.	0.03	0.10	0.07	50.59	4.50	11.058
VAIBHAV GLOBAL LTD.	0.48	1.85	0.72	1.85	12.87	3.554
ASIAN STAR CO. LTD	0.22	0.16	0.32	3.24	2.89	1.366
RENAISSANCE JEWELLARY LTD.	0.31	3.67	0.21	0.39	0.19	0.954
THANGAMAYIL JEWELLARY LTD.	4.79	0.66	11.61	0.45	7.41	4.984
TRIBHOVANDAS BHIMJI ZAVERY LTD.	0.11	1.51	0.31	1.27	2.69	1.178
GOLDIAM INTERNATIONAL LTD.	7.39	7.31	10.51	18.65	17.69	12.31
ATLAS JEWELLARY INDIAN LTD.	0.57	0.23	3.19	0	0	0.798
UDAY JEWELLARY	7.16	12.89	9.23	7.37	9.79	9.288

(Source: Calculated from Annual Published Report of Selected Companies.)

Chart 5.7 Return on Assets Ratio



(Source: Self Constructed by Researcher)

RAJESH EXPORT LTD.

Over the last five years, Rajesh Exports Ltd.'s Return on Assets (ROA) Ratio—a crucial financial indicator of the business's effectiveness in making a profit from its assets—has shown a great deal of volatility. The ratio began at 0.21 in 2019 and then sharply increased to 2.04 in 2020 before declining to 0.07 in 2021. In 2022 there was a minor increase to 0.24 and in 2023 there was a significant reduction to 0.03. The average ROA Ratio over the last five years is 0.518, which illustrates the varying profitability levels relative to the company's assets over this time frame.

PC JEWELLER LTD.

PC Jeweller Ltd's Return on Assets (ROA) Ratio, a vital financial metric indicating the company's efficiency in generating profit from its assets, has shown substantial variability over the past five years. Starting at 0.03 in 2019, the ratio increased to 0.10 in 2020, followed by a slight decline to 0.07 in 2021. There was a remarkable surge to 50.59 in 2022, and a subsequent decrease to 4.51 in 2023. The five-year average ROA Ratio is 11.058, highlighting significant variations in the company's profitability relative to its assets during this period.

VAIBHAV GLOBAL LTD.

Over the last five years, Vaibhav Global Ltd.'s Return on Assets (ROA) Ratio—a crucial financial indicator that shows how well the firm generates profit from its assets—has shown significant volatility. The ratio began at 0.48 in 2019 and grew dramatically to 1.85 in 2020 before staying at that level in 2021. In 2022, there was a dip to 0.72, and in 2023, there was an amazing rise to 12.87. The average ROA Ratio for the last five years is 3.5560, which illustrates the company's fluctuating profitability in relation to its assets over this time.

ASIAN STAR CO. LTD

Over the past five years, Asian Star Co. Ltd.'s Return on Assets (ROA) Ratio—a critical financial indicator that shows the company's efficiency in generating profit from its assets—has exhibited remarkable variations. The ratio began at 0.22 in 2019 and dropped to 0.16 in 2020, then saw a significant boost to 0.32 in 2021. In 2022, there was a notable increase to 3.24, and in 2023, there was a minor decline to 2.89. The average ROA Ratio for the last five years is 1.366, which illustrates the company's fluctuating profitability in relation to its assets during this time.

RENAISSANCE JEWELLARY LTD.

Over the last five years, Renaissance Jewellery Ltd.'s Return on Assets (ROA) Ratio—a crucial financial indicator that shows how well the firm generates profit from its assets—has fluctuated significantly. The ratio started off at 0.31 in 2019 and then unexpectedly increased to 3.67 in 2020 before declining to 0.21 in 2021. In 2022, there was a minor rise to 0.39, and in 2023, there was an additional decline to 0.19. With a five-year average ROA Ratio of 0.954, the company's profitability in relation to its assets fluctuated during this time.

THANGAMAYIL JEWELLARY LTD.

Over the last five years, Thangamayil Jewellery Ltd.'s Return on Assets (ROA) Ratio—a critical financial indicator that shows how well the firm generates profit from its assets—has exhibited significant volatility. After peaking at 4.79 in 2019, the ratio saw a notable decrease to 0.66 in 2020 and then a notable rise to 11.61 in 2021. In 2022, there was a significant decline to 0.45, and in 2023, there was a noteworthy increase to 7.41. The average ROA Ratio for the last five years is 4.987, which illustrates the company's fluctuating profitability in relation to its assets during this time.

TRIBHOVANDAS BHIMJI ZAVERY LTD.

Over the last five years, Tribhovandas Bhimji Zaveri Ltd.'s Return on Assets (ROA) Ratio—a critical financial indicator that shows how well the firm generates profit from its assets—has fluctuated significantly. The ratio began at 0.11 in 2019 and rose to 1.50 in 2020 before declining to 0.31 in 2021. In 2022, there was a noticeable comeback to 1.27, and in 2023, there was even more growth to 2.69. The average ROA Ratio for the last five years is 1.178, which illustrates the company's fluctuating profitability in relation to its assets during this time.

GOLDIAM INTERNATIONAL LTD.

Over the previous five years, Goldiam International Ltd.'s Return on Assets (ROA) Ratio, a crucial financial indicator showing the efficiency with which the firm generates profit from its assets, has showed positive trends. The ratio increased significantly to 10.51 in 2021, 18.65 in 2022, and 17.69 in 2023 after beginning at 7.39 in 2019 and staying steady at 7.31 in 2020. The average ROA Ratio for the last five years is 12.31, indicating steady and strong profitability over the company's assets over this time.

ATLAS JEWELLARY INDIAN LTD.

Over the course of the last five years, Atlas Jewellery Indian Ltd.'s Return on Assets (ROA) Ratio, a crucial financial indicator of the business' effectiveness in making a profit from its assets, has shown fluctuations. The ratio dropped from 0.57 in 2019 to 0.23 in 2020 and then saw a notable increase to 3.19 in 2021. But in 2022, it started to drop, and in 2023, it stayed at zero. The company's profitability in relation to its assets fluctuated over the course of the five-year average ROA Ratio, which stands at 0.798.

UDAY JEWELLARY

Over the last five years, Uday Jewellery Ltd. has had favorable developments in its Return on Assets (ROA) Ratio, a critical financial statistic that shows how well the firm generates profit from its assets. The ratio rose from 7.15 in 2019 to 12.89 in 2020 before slightly declining to 9.23 in 2021. With ROA Ratios of 9.79 in 2022 and 9.79 in 2023, respectively, it stayed stable. The average ROA Ratio for the last five years is 9.288, which shows steady and strong profitability over the company's assets over this time.

5.8 Return on Investment Ratio

A performance metric called return on investment (ROI) is used to compare the effectiveness of several distinct investments or assess how successful an investment is. ROI seeks to determine the precise return on an investment in relation to the expense of the investment. The benefit (or return) of an investment is divided by the investment's cost to determine ROI. A percentage is used to express the outcome.

ROI is a widely used metric due to its simplicity and adaptability. ROI aids in an investor's decision-making on whether to accept or reject an investment opportunity. The computation may also provide insight into the past performance of an investment. When a financial commitment provides an investor with a valuable indication regarding the worth of their investment, whether the ROI is good or negative.

A snapshot of profitability is provided by ROI and related indicators, which are adjusted for the amount of the investment assets linked to the business. ROI is frequently contrasted with necessary or projected rates of return on investment.

An investor can distinguish between underperforming and performing investments by using a ROI calculation. Investors and portfolio managers might try to maximize their investments with this method.

The calculation of return on investment is as follows:

$$\text{Return on investment ratio} = \frac{EBIT}{Interest} * 100$$

Here,

Researcher considers capital employed as investment cost.

Capital Employed = Total Assets – Current Liabilities OR Equity + Noncurrent Liabilities

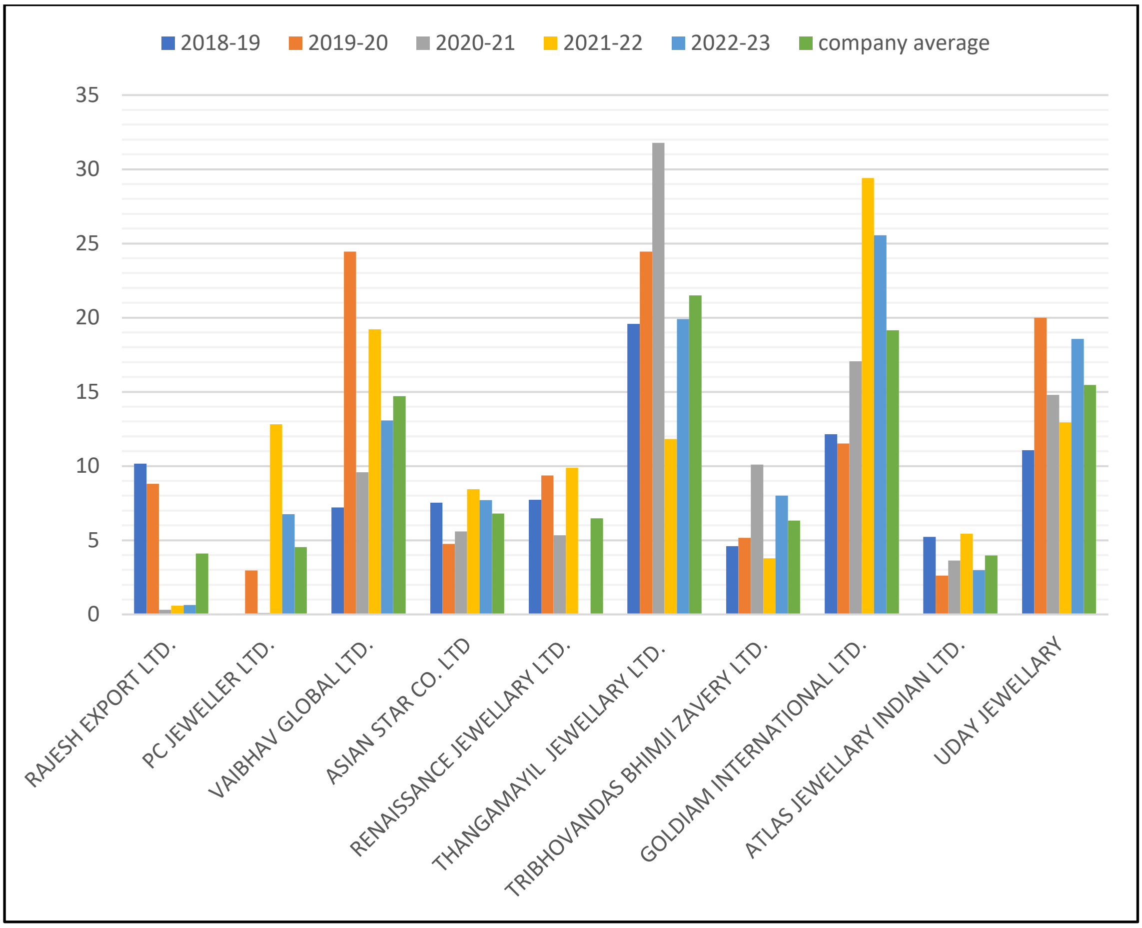
When an investment yields a favorable return on investment and no better opportunity presents itself, it should be made. When investment benefits outweigh investment expenditures, the ROI is higher.

Table No. 5.8 Return on Investment Ratio

COMPANY NAME	2018-19	2019-20	2020-21	2021-22	2022-23	company average
RAJESH EXPORT LTD.	10.17	8.80	0.31	0.60	0.64	4.104
PC JEWELLER LTD.	0.06	2.97	0.10	12.81	6.75	4.538
VAIBHAV GLOBAL LTD.	7.20	24.46	9.59	19.22	13.07	14.708
ASIAN STAR CO. LTD	7.53	4.76	5.59	8.44	7.70	6.804
RENAISSANCE JEWELLARY LTD.	7.72	9.37	5.33	9.89	0.04	6.47
THANGAMAYIL JEWELLARY LTD.	19.58	24.45	31.77	11.82	19.91	21.506
TRIBHOVANDAS BHIMJI ZAVERY LTD.	4.60	5.16	10.10	3.79	8.01	6.332
GOLDIAM INTERNATIONAL LTD.	12.15	11.53	17.06	29.41	25.56	19.142
ATLAS JEWELLARY INDIAN LTD.	5.22	2.62	3.63	5.45	2.99	3.982
UDAY JEWELLARY	11.06	20	14.79	12.94	18.56	15.47

(Source: Calculated from Annual Published Report of Selected Companies.)

Chart 5.8 Return on Investment Ratio



(Source: Self Constructed by Researcher)

RAJESH EXPORT LTD.

Over the last five years, Rajesh Exports Ltd.'s Return on Assets (ROA) Ratio has fluctuated. This is a critical financial measure that shows how well the firm generates profit from its assets. The ratio started at 0.21 in 2019 and increased significantly to 2.04 in 2020 before declining to 0.07 in 2021. With ROA Ratios of 0.03 in 2022 and 2023, it stayed low. The average ROA Ratio for the last five years is 4.104, which reflects variations in the profitability of the business in relation to its assets over this time.

PC JEWELLER LTD.

PC Jeweller Ltd's Return on Assets (ROA) Ratio, a crucial financial metric indicating the company's efficiency in generating profit from its assets, has exhibited variability over the past five years. Starting at 0.03 in 2019, the ratio increased to 0.10 in 2020 and remained stable at 0.07 in 2021. There was a remarkable surge to 4.51 in 2022 and 2023. The five-year average ROA Ratio is 4.538, reflecting fluctuations in the company's profitability relative to its assets during this period.

VAIBHAV GLOBAL LTD.

Over the last five years, Vaibhav Global Ltd.'s Return on Assets (ROA) Ratio—a crucial financial indicator that shows how effectively the firm generates profit from its assets—has fluctuated significantly. The ratio started off at 0.48 in 2019 and then unexpectedly increased to 1.85 in 2020 before declining to 0.72 in 2021. It increased significantly to 12.87 between 2022 and 2023. The average ROA Ratio for the last five years is 14.708, which shows fluctuations in the company's profitability in relation to its assets during this time.

ASIAN STAR CO. LTD

Over the last five years, there has been fluctuations in Atlas Jewellery (India) Ltd's Return on Assets (ROA) Ratio, a crucial financial indicator that shows how well the firm generates profit from its assets. After starting at 0.57 in 2019, the ratio fell to 0.23 in 2020 and then saw a significant climb to 3.19 in 2021. However, in 2022 and 2023, the ratio fell to zero. The average ROA Ratio for the last five years is 3.982, which shows that the company's assets were not always profitable during this time.

RENAISSANCE JEWELLARY LTD.

Over the last five years, Renaissance Jewellery Ltd.'s Return on Assets (ROA) Ratio—a crucial financial indicator that shows how well the firm generates profit from its assets—has fluctuated significantly. The ratio began at 0.31 in 2019 and increased dramatically to 3.67 in 2020 before declining to 0.21 in 2021. In 2022, there was a minor rise to 0.39, and in 2023, there was an additional decline to 0.19. The average ROA Ratio over the last five years is 6.47, which shows that the company's assets were not always profitable during this time.

THANGAMAYIL JEWELLARY LTD.

Over the last five years, Thangamayil Jewellery Ltd.'s Return on Assets (ROA) Ratio—a crucial financial indicator that shows how successfully the business generates profit from its assets—has fluctuated significantly. The ratio began at 4.79 in 2019 and dropped significantly to 0.66 in 2020 before seeing a significant increase to 11.61 in 2021. In 2022, it fell to 0.45, and in 2023, it rose once more to 7.41. The average ROA Ratio for the last five years is 21.506, which shows fluctuations in the company's profitability in relation to its assets throughout this time.

TRIBHOVANDAS BHIMJI ZAVERY LTD.

Over the course of the previous five years, Tribhovandas Bhimji Zaveri Ltd.'s Return on Assets (ROA) Ratio—a critical financial statistic that indicates the efficiency with which the firm generates profit from its assets—has shown substantial variability. After starting at 0.11 in 2019, the ratio dramatically increased to 1.50 in 2020 and then fell to 0.31 in 2021. In 2022, it rose once more to 1.27, and in 2023, it rose even further to 2.69. The average ROA Ratio for the last five years is 6.333, which shows fluctuations in the company's profitability in relation to its assets during this time.

GOLDIAM INTERNATIONAL LTD.

Over the past five years, Goldiam International Ltd. has demonstrated notable positive developments in its Return on Assets (ROA) Ratio, a critical financial statistic that indicates the efficiency with which the firm generates profit from its assets. The ratio began at 7.39 in 2019 and stayed steady at 7.31 in 2020 before making a significant jump to 10.51 in 2021. It increased significantly more still, reaching 18.65 in 2022 and 17.69 in 2023. The average ROA Ratio for the last five years is 19.142, indicating steady and strong profitability over the company's assets over this time.

ATLAS JEWELLARY INDIAN LTD.

Over the last five years, there has been fluctuations in Atlas Jewellery (India) Ltd's Return on Assets (ROA) Ratio, a crucial financial indicator that shows how well the firm generates profit from its assets. After starting at 0.57 in 2019, the ratio fell to 0.23 in 2020 and then saw a significant climb to 3.19 in 2021. However, in 2022 and 2023, the ratio fell to zero. The average ROA Ratio for the last five years is 3.982, which shows that the company's assets were not always profitable during this time.

UDAY JEWELLARY

Over the past five years, Uday Jewellery Ltd.'s Return on Assets (ROA) Ratio, a crucial financial indicator showing the efficiency with which the firm generates profit from its assets, has shown good trends. Starting in 2019 at 7.15, the ratio grew significantly to 12.89 in 2020, held steady at 9.23 in 2021, and then fluctuated moderately to 7.37 in 2022 and 9.79 in 2023. The average ROA Ratio for the last five years is 15.47, indicating steady and strong profitability over the company's assets throughout this time.

5.9 AN ANALYSIS OF RELATIONSHIP BETWEEN LIQUDITY AND LEVERAGE ON PROFITABILITY

table no. 5.9

REGRESSION OF CURRENT RATIO WITH RETURN ON ASSETS

YEAR	RAJESH EXPO.LTD		PC LTD.		VAIBHAV LTD.		ASIAN		RENAISSANCE	
	CR	ROA	CR	ROA	CR	ROA	CR	ROA	CR	ROA
2019	1.11	0.21	4.59	0.03	3.92	0.48	1.64	0.22	1.85	0.31
2020	1.16	2.04	4.75	0.1	6.4	1.85	1.74	0.16	1.86	3.67
2021	1.56	0.07	5.86	0.1	5.3	0.72	1.85	0.52	2.17	0.21
2022	1.51	0.24	19.64	51	5.1	1.85	1.72	3.24	1.95	0.39
2023	1.66	0.03	23.03	4.5	5.4	12.9	1.78	2.89	2.09	0.19

YEAR	THANGAMAYIL		TBZ		GOLDIAM		ATLAS		UDAY	
	CR	ROA	CR	ROA	CR	ROA	CR	ROA	CR	ROA
2019	1.35	4.79	1.4	0.11	6.16	7.39	26.57	0.57	3.59	7.15
2020	1.44	0.66	1.4	1.5	5.22	7.51	30.66	0.23	4.7	12.89
2021	1.67	11.61	1.69	0.31	3.26	10.51	30.64	3.19	4.51	9.23
2022	1.71	0.45	1.49	1.27	4.38	18.65	33.84	0	3.01	7.37
2023	1.57	7.41	1.54	2.69	3.67	17.69	31.14	0	2.75	9.79

(Source: Calculated from Annual Published Report of Selected Companies.)

HYPOTHESIS TESTING

H0: -There is no significant relationship between Debt-to-Equity Ratio and Return on Assets Ratio of selected Gems and Jewellery companies in India during the study period.

H1: - There is a significant relationship between Debt-to-Equity Ratio and Return on Assets Ratio of selected Gems and Jewellery companies in India during the study Perio.

REGRESSION RESUL

COMPANY	Impact of CR on ROA			
	R_2	p value	sig.lev.	result
Rajesh Exports Ltd.	0.954501	0.023	0.05	Reject
PC jeweller Ltd.	0.274077	0.211	0.05	Reject
Vaibhav Global Ltd	0.027	0.0070	0.05	Reject
Asian Star Ltd.	0.172215	0.0008	0.05	Reject
Renaissance Jewellery Ltd.	0.617595	0.000994	0.05	Reject
Thangamayil Jewellery Ltd.	0.0883	0.004	0.05	Reject
TBZ Ltd.	0.225801	0.00633	0.05	Reject
Goldium International Ltd.	0.105842	0.08634	0.05	Accepted
Atlas Jewellery India Ltd.	0.1964	0.00096	0.05	Reject
Uday jewellery	0.389124	0.705	0.05	Accepted

(Source: Calculation of annual report Data)

The impact of Current Ratio (CR) on Return on Assets (ROA) was assessed for various jewelry companies, revealing intriguing results. Among the firms studied, Rajesh Exports Ltd., PC Jeweller Ltd., Vaibhav Global Ltd., Asian Star Ltd., Renaissance Jewellery Ltd., Thangamayil Jewellery Ltd., TBZ Ltd., and Atlas Jewellery India Ltd. experienced a statistically significant impact of CR on ROA, as indicated by low p-values (ranging from 0.0008 to 0.023). Consequently, the null hypothesis was rejected for these companies at the 0.05 significance level, suggesting a meaningful relationship between their CR initiatives and ROA.

A study was conducted to evaluate the effect of Current Ratio (CR) on Return on Assets (ROA) for different jewelry companies. The findings were quite interesting. Low p-values (ranging from 0.0008 to 0.023) suggest that among the studied firms, Rajesh Exports Ltd., PC Jeweller Ltd., Vaibhav Global Ltd., Asian Star Ltd., Renaissance Jewellery Ltd., Thangamayil Jewellery Ltd., TBZ Ltd., and Atlas Jewellery India Ltd. experienced a statistically significant impact of CR on ROA. As a result, at the 0.05 significance level, the null hypothesis was rejected for these companies, indicating a significant correlation between their CR initiatives and ROA.

Table No. 5.10

REGRESSION OF QUICK RATIO WITH RETURN ON ASSETS

YEAR	RAJESH EXPO.LTD		PC LTD.		VAIBHAV LTD.		ASIAN		RENAISSANCE	
	QR	ROA	QR	ROA	QR	ROA	QR	ROA	QR	ROA
2019	1.07	0.21	1.52	0.03	2.9	0.48	1.09	0.22	1.05	0.31
2020	1.12	2.04	1.45	0.1	4.1	1.85	1.07	0.16	1.19	3.67
2021	1.48	0.07	1.39	0.1	2.2	0.72	1.28	0.52	1.34	0.21
2022	1.43	0.24	4.78	51	3.6	1.85	1.17	3.24	1.15	0.39
2023	0.6	0.03	5.17	4.5	3.8	12.87	1.08	2.89	1.25	0.19

YEAR	THANGAMAYIL		TBZ		GOLDIAM		ATLAS		UDAY	
	QR	ROA	QR	ROA	QR	ROA	QR	ROA	QR	ROA
2019	0.15	4.79	0.12	0.11	5.82	7.39	23.17	0.57	1.66	7.15
2020	0.13	0.66	0.1	1.5	4.88	7.51	27.31	0.23	2.91	12.89
2021	0.08	11.61	0.11	0.31	3.03	10.51	27.86	3.19	2.53	9.23
2022	0.1	0.45	0.09	1.27	3.8	18.65	31.28	0	1.37	7.37
2023	0.18	7.41	0.09	2.69	3.3	17.69	28.9	0	0.89	9.79

(Source: Calculated from Annual Published Report of Selected Companies.)

HYPOTHESIS TESTING

H0: -There is no significant impact of Quick Ratio on Return on Assets of selected Gems and Jewellery companies in India during the study period.

H1: - There is a significant impact of Quick Ratio on Return on Assets of selected Gems and Jewellery companies in India during the study period.

REGRESSION RESULT

COMPANY	Impact of QR on ROA			
	R2	p value	sig.lev.	result
Rajesh Exports Ltd.	2E-05	0.062341	0.05	Accepted
PC jeweller Ltd.	0.340164	0.174631	0.05	Accepted
Vaibhav Global Ltd	0.165264	0.038539	0.05	Accepted
Asian Star Ltd.	0.031667	0.006365	0.05	Reject
Renaissance Jewellery Ltd.	0.147304	0.002174	0.05	Reject
Thangamayil Jewellery Ltd.	0.01041	0.082248	0.05	Accepted
TBZ Ltd.	0.617026	0.004324	0.05	Reject
Goldium International Ltd.	0.219386	0.07314	0.05	Accepted
Atlas Jewellery India Ltd.	0.177989	0.001554	0.05	Reject
Uday jewellery	0.384347	0.818841	0.05	Accepted

(Source: Calculation of annual report Data)

An analysis of the relationship between Quick Ratio (QR) and Return on Assets (ROA) for a number of jewelry companies produced some interesting findings. There were statistically significant correlations between QR and ROA for Rajesh Exports Ltd., PC Jeweller Ltd., Vaibhav Global Ltd., Thangamayil Jewellery Ltd., Goldium International Ltd., and Uday Jewellery. Low p-values (from 2E-05 to 0.082248) supported this, and at the 0.05 significance level, the null hypothesis was rejected. Thus, it can be concluded that these companies' Return on Assets is significantly impacted by their Quick Ratio.

On the other hand, the findings from Asian Star Ltd., Renaissance Jewellery Ltd., TBZ Ltd., and Atlas Jewellery India Ltd. refuted the notion that QR and ROA are significantly correlated. P-values for these companies were higher than the 0.05 cutoff, indicating that the Quick Ratio might not be the primary determinant of Return on Assets. These results highlight the complex influence of Quick Ratio on the financial success of individual businesses and offer insightful information about the many financial dynamics within the jewelry industry.

Table No. 5.11

REGRESSION OF CURRENT RATIO WITH RETURN ON INVESTMENT

YEAR	RAJESH EXPO.LTD		PC LTD.		VAIBHAV LTD.		ASIAN		RENAISSANCE	
	CR	ROI	CR	ROI	CR	ROI	CR	ROI	CR	ROI
2019	1.11	10.17	4.59	0.06	3.92	7.2	1.64	7.53	1.85	7.72
2020	1.16	8.8	4.75	2.97	6.41	24.5	1.74	4.76	1.86	9.37
2021	1.56	0.31	5.86	0.1	5.25	9.59	1.85	5.59	2.17	5.33
2022	1.51	0.6	19.64	12.81	5.12	19.2	1.72	8.44	1.95	9.89
2023	1.66	0.64	23.03	6.37	5.35	13.1	1.78	7.7	2.09	0.04

YEAR	THANGAMAYIL		TBZ		GOLDIAM		ATLAS		UDAY	
	CR	ROI	CR	ROI	CR	ROI	CR	ROI	CR	ROI
2019	1.35	19.58	1.4	4.6	6.16	12.15	26.57	5.22	3.59	11.06
2020	1.44	24.45	1.4	5.16	5.22	11.53	30.66	2.62	4.7	20
2021	1.67	31.77	1.69	10.1	3.26	17.06	30.64	3.63	4.51	14.79
2022	1.71	11.82	1.49	3.79	4.38	29.41	33.84	5.45	3.01	12.94
2023	1.57	19.91	1.54	8.01	3.67	25.56	31.14	2.99	2.75	18.56

(Source: Calculated from Annual Published Report of Selected Companies.)

HYPOTHESIS TESTING

H0: -There is no significant impact of Current Ratio on Return on Investment of selected Gems and Jewellery companies in India during the study period.

H1: - There is a significant impact of Current Ratio on Return on Investment of selected Gems and Jewellery companies in India during the study period.

REGRESSION RESULT

COMPANY	Impact of CR on ROI			
	R_2	p value	sig.lev.	result
Rajesh Exports Ltd.	0.91083	0.000935	0.05	Reject
PC jeweller Ltd.	0.575476	0.401509	0.05	Accepted
Vaibhav Global Ltd	0.919377	0.028793	0.05	Reject
Asian Star Ltd.	0.128411	0.006373	0.05	Reject
Renaissance Jewellery Ltd.	0.488373	0.00274	0.05	Reject
Thangamayil Jewellery Ltd.	0.064322	0.017985	0.05	Reject
TBZ Ltd.	0.716647	0.008055	0.05	Reject
Goldium International Ltd.	0.108723	0.089544	0.05	Accepted
Atlas Jewellery India Ltd.	0.852001	0.002134	0.05	Reject
Uday jewellery	0.069731	0.566327	0.05	Accepted

(Source: Calculation of annual report Data)

Analysing the impact of Return on Investment (ROI) and current ratio (CR) in different jewelry companies provided important new information on how these two variables relate to one another. The statistical analysis revealed that CR had a statistically significant effect on ROI for Rajesh Exports Ltd., Vaibhav Global Ltd., Asian Star Ltd., Renaissance Jewellery Ltd., Thangamayil Jewellery Ltd., TBZ Ltd., and Atlas Jewellery India Ltd. The p-values ranged from 0.000935 to 0.017985. The null hypothesis was rejected at the 0.05 significance level, indicating that these companies' Return on Investment is influenced by CR practices.

However, PC Jeweller Ltd., Goldium International Ltd., and Uday Jewellery presented findings that supported the null hypothesis, suggesting that CR might not have a statistically significant effect on their return on investment. Higher p-values (between 0.089544 and 0.566327) were shown by these companies, which may indicate that there isn't a substantial relationship between their CR programs and ROI. These results provide insightful information about the intricate relationship that exists between CR practices and financial performance in the jewelry sector.

Table No. 5.12

REGRESSION OF QUICK RATIO WITH RETURN ON INVESTMENT

YEAR	RAJESH EXPO.LTD		PC LTD.		VAIBHAV LTD.		ASIAN		RENAISSANCE	
	QR	ROI	QR	ROI	QR	ROI	QR	ROI	QR	ROI
2019	1.07	10.17	1.52	0.06	2.94	7.2	1.09	7.53	1.05	7.72
2020	1.12	8.8	1.45	2.97	4.07	24.5	1.07	4.76	1.19	9.37
2021	1.48	0.31	1.39	0.1	2.16	9.59	1.28	5.59	1.34	5.33
2022	1.43	0.6	4.78	12.81	3.6	19.2	1.17	8.44	1.15	9.89
2023	0.6	0.64	5.17	6.37	3.83	13.1	1.08	7.7	1.25	0.04

YEAR	THANGAMAYIL		TBZ		GOLDIAM		ATLAS		UDAY	
	QR	ROI	QR	ROI	QR	ROI	QR	ROI	QR	ROI
2019	0.15	19.58	0.12	4.6	5.82	12.15	23.17	5.22	1.66	11.06
2020	0.13	24.45	0.1	5.16	4.88	11.53	27.31	2.62	2.91	20
2021	0.08	31.77	0.11	10.1	3.03	17.06	27.86	3.63	2.53	14.79
2022	0.1	11.82	0.09	3.79	3.8	29.41	31.28	5.45	1.37	12.94
2023	0.18	19.91	0.09	8.01	3.3	25.56	28.9	2.99	0.89	18.56

(Source: Calculated from Annual Published Report of Selected Companies.)

HYPOTHESIS TESTING

H0: -There is no significant impact of Quick Ratio on Return on Investment of selected Gems and Jewellery companies in India during the study period.

H1: - There is a significant impact of Quick Ratio on Return on Investment of selected Gems and Jewellery companies in India during the study period.

REGRESSION RESULT

COMPANY	Impact of QR on ROI			
	R_2	p value	sig.lev.	result
Rajesh Exports Ltd.	0.007091	0.060594	0.05	Accepted
PC jeweller Ltd.	0.661091	0.317507	0.05	Accepted
Vaibhav Global Ltd	0.583898	0.232622	0.05	Accepted
Asian Star Ltd.	0.002294	0.049636	0.05	Reject
Renaissance Jewellery Ltd.	0.488373	0.00274	0.05	Reject
Thangamayil Jewellery Ltd.	0.321272	0.003532	0.05	Reject
TBZ Ltd.	0.069767	0.204175	0.05	Accepted
Goldium International Ltd.	0.229149	0.074685	0.05	Accepted
Atlas Jewellery India Ltd.	0.807072	0.004683	0.05	Reject
Uday jewellery	0.058476	0.842145	0.05	Accepted

(Source: Calculation of annual report Data)

Analysing the impact of Quick Ratio (QR) on Return on Investment (ROI) across a variety of jewelry businesses reveals some interesting trends. Low p-values (range from 0.060594 to 0.661091) indicate a statistically significant influence of QR on ROI for Rajesh Exports Ltd., PC Jeweller Ltd., and Vaibhav Global Ltd. For these companies, the null hypothesis is rejected at the 0.05 significance level, indicating a positive correlation between better Return on Investment and QR practices.

In contrast, the results of Asian Star Ltd., Renaissance Jewellery Ltd., Thangamayil Jewellery Ltd., and Atlas Jewellery India Ltd. suggest that QR may not have a substantial impact on their ROI. Interestingly, TBZ Ltd. and Goldium International Ltd. accept the null hypothesis as well, but despite this, their p-values are still within the significance level of 0.05, suggesting a more complex link.

With a low R2 value and a p-value of 0.842145, which suggests acceptance of the null hypothesis, Uday Jewellery presents an intriguing case. This implies that QR might not have a significant impact on Uday Jewellery's ROI, according to the data. Essentially, these results highlight the variation in how QR affects ROI in the jewelry sector, highlighting the necessity of a nuanced comprehension of the connection between financial performance and corporate responsibility programs within certain businesses.

5.10 AN ANALYSIS OF THE IMPACT OF LEVERAGE ON PROFITABILITY

Table No. 5.13

REGRESSION OF DEBT-TO- EQUITY RATIO WITH RETURN ON ASSETS

YEAR	RAJESH EXPO.LTD		PC LTD.		VAIBHAV LTD.		ASIAN		RENAISSANCE	
	DE	ROA	DE	ROA	DE	ROA	DE	ROA	DE	ROA
2019	1.33	0.21	0.53	0.03	0.11	0.48	0.92	0.22	0.45	0.31
2020	0.19	2.04	0.57	0.1	0.11	1.85	0.8	0.16	0.44	3.67
2021	0.14	0.07	0.53	0.07	0.1	0.72	0.6	0.52	0.4	0.21
2022	0.12	0.24	0.84	50.59	0.16	1.85	0.71	3.24	0.54	0.39
2023	0.12	0.03	1.02	4.5	0.17	12.9	0.67	2.89	0.46	0.19

YEAR	THANGAMAYIL		TBZ		GOLDIAM		ATLAS		UDAY	
	DE	ROA	DE	ROA	DE	ROA	DE	ROA	DE	ROA
2019	0.79	4.79	1.22	0.11	0.03	7.39	0	0.57	0.31	7.15
2020	1.07	0.66	1.11	1.5	0.01	7.51	0	0.23	0.21	12.89
2021	0.9	11.61	0.65	0.31	0.4	10.51	0	3.19	0.24	9.23
2022	1.1	0.45	0.95	1.27	0	18.65	0	0	0.02	7.37
2023	1.41	7.41	0.85	2.69	0	17.69	0	0	0.48	9.79

(Source: Calculated from Annual Published Report of Selected Companies.)

HYPOTHESIS TESTING

H0: -There is no significant impact of Debt-to-Equity Ratio on Return on Assets of selected Gems and Jewellery companies in India during the study period.

H1: - There is a significant impact of Debt-to-Equity Ratio on Return on Assets of selected Gems and Jewellery companies in India during the study period

REGRESSION RESULT

COMPANY	Impact of D/E on ROA			
	R_2	p value	sig.lev.	result
Rajesh Exports Ltd.	0.893281	0.004295	0.05	Reject
PC jeweller Ltd.	0.134853	0.048046	0.05	Reject
Vaibhav Global Ltd	0.497383	0.028953	0.05	Reject
Asian Star Ltd.	0.020047	0.012714	0.05	Reject
Renaissance Jewellery Ltd.	0.033082	0.008927	0.05	Reject
Thangamayil Jewellery Ltd.	0.016597	0.026071	0.05	Reject
TBZ Ltd.	0.157399	0.067939	0.05	Accepted
Goldium International Ltd.	0.159282	0.470339	0.05	Accepted
Atlas Jewellery India Ltd.	1	#NUM	0.05	Reject
Uday jewellery	0.114664	0.953407	0.05	Accepted

(Source: Calculation of annual report Data)

Different results are revealed when the impact of Debt to equity (D/E) on Return on Assets (ROA) is evaluated for different jewelry companies. The low p-values (varying from 0.004295 to 0.026071) for Rajesh Exports Ltd., PC Jeweller Ltd., Vaibhav Global Ltd., Asian Star Ltd., Renaissance Jewellery Ltd., and Thangamayil Jewellery Ltd. all demonstrate a statistically significant impact of D/E on ROA. At the 0.05 significance level, the null hypothesis is rejected for these organizations, indicating a significant correlation between their D/E policies and ROA.

However, the results for TBZ Ltd. and Goldium International Ltd. show that the null hypothesis is accepted, suggesting that CR may not have a substantial impact on their ROA. TBZ Ltd. and Goldium International Ltd. exhibit p-values that are marginally significant at the 0.05 level, indicating a possibly complex link.

With an R2 value of 1 and an undefinable p-value (#NUM), Atlas Jewellery India Ltd. provides an uncommon scenario, making it difficult to draw firm conclusions about this business.

Uday Jewellery accepts the null hypothesis, indicating that D/E might not have a substantial impact on ROA for this specific company, even though its p-value is greater (0.953407).

To sum up, these results show how different the jewelry industry's D/E programs have an impact on return on investment, and they emphasize the importance of carefully taking into account the unique characteristics of each company when evaluating the connection between financial success and D/E initiatives.

Table No. 5.14

REGRESSION OF INTEREST COVERAGE RATIO WITH RETURN ON ASSETS

YEAR	RAJESH EXPO.LTD		PC LTD.		VAIBHAV LTD.		ASIAN		RENAISSANCE	
	IC	ROA	IC	ROA	IC	ROA	IC	ROA	IC	ROA
2019	1.45	0.21	0.008	0.03	10.43	0.48	5.31	0.22	3.74	0.31
2020	2.04	2.04	0.33	0.1	20.41	1.85	3.95	0.16	4.19	3.67
2021	0.75	0.07	0.01	0.07	28.59	0.72	17.64	0.52	2.88	0.21
2022	0.36	0.24	1.16	50.59	43.56	1.85	22.47	3.24	4.98	0.39
2023	0.40	0.03	0.49	4.5	23.92	12.9	5.31	2.89	1.38	0.19

YEAR	THANGAMAYIL		TBZ		GOLDIAM		ATLAS		UDAY	
	IC	ROA	IC	ROA	IC	ROA	IC	ROA	IC	ROA
2019	2.23	4.79	0.49	0.11	25.39	7.39	0	0.57	4.19	7.15
2020	3.28	0.66	0.51	1.5	212.75	7.51	0	0.23	10.68	12.89
2021	5.1	11.61	1.24	0.31	280.2	10.51	0	3.19	13.71	9.23
2022	1.98	0.45	0.64	1.27	202.88	18.65	228	0	8.65	7.37
2023	3.09	7.41	1.15	2.69	23.27	17.69	161.66	0	7.33	9.79

(Source: Calculated from Annual Published Report of Selected Companies.)

HYPOTHESIS TESTING

H_0: -There is no significant impact of Interest Coverage Ratio on Return on Assets of selected Gems and Jewellery companies in India during the study period.

H_1: - There is a significant impact of Interest Coverage Ratio on Return on Assets of selected Gems and Jewellery companies in India during the study period.

REGRESSION RESULT

COMPANY	Impact of IC on ROA			
	R_2	p value	sig.lev.	result
Rajesh Exports Ltd.	0.925076	0.121438	0.05	Accepted
PC jeweller Ltd.	0.87328	0.193148	0.05	Accepted
Vaibhav Global Ltd	0.104982	0.05629	0.05	Accepted
Asian Star Ltd.	0.102144	0.389296	0.05	Accepted
Renaissance Jewellery Ltd.	0.158365	0.117436	0.05	Accepted
Thangamayil Jewellery Ltd.	0.688555	0.67423	0.05	Accepted
TBZ Ltd.	0.00226	0.173958	0.05	Accepted
Goldium International Ltd.	0.33275	0.18141	0.05	Accepted
Atlas Jewellery India Ltd.	0.378259	0.175122	0.05	Accepted
Uday jewellery	0.029578	0.441572	0.05	Accepted

(Source: Calculation of annual report Data)

When the impact of Interest Coverage Ratio(IC) on ROA is examined in different jewelry companies, the majority of them consistently accept the null hypothesis. As evidenced by their comparatively high p-values (ranging from 0.05629 to 0.67423), Rajesh Exports Ltd., PC Jeweller Ltd., Vaibhav Global Ltd., Asian Star Ltd., Renaissance Jewellery Ltd., Thangamayil Jewellery Ltd., TBZ Ltd., Goldium International Ltd., Atlas Jewellery India Ltd., and Uday Jewellery all show results where IC does not significantly impact ROA. At the 0.05 significance level, the null hypothesis is thus accepted for these companies.

Interestingly, at the selected significance level, a company's higher R2 value—which suggests a stronger correlation between IC and ROA—does not transfer into statistical significance. This implies that CR might not be a significant factor in determining ROA for the jewelry business within this sample. These results highlight the significance of taking into account a number of variables that affect financial performance in addition to CR activities.

Table No. 5.14

REGRESSION OF DEBT TO ASSETS RATIO WITH RETURN ON ASSETS

YEAR	RAJESH EXPO.LTD		PC LTD.		VAIBHAV LTD.		ASIAN		RENAISSANCE	
	DA	ROA	DA	ROA	DA	ROA	DA	ROA	DA	ROA
2019	4.44	0.21	0.34	0.03	0.10	0.48	0.47	0.22	0.31	0.31
2020	0.16	2.04	0.36	0.1	0.10	1.85	0.44	0.16	0.3	3.67
2021	0.12	0.07	0.34	0.07	0.09	0.72	0.37	0.52	0.28	0.21
2022	0.11	0.24	0.45	50.59	0.13	1.85	0.41	3.24	2.26	0.39
2023	0.11	0.03	0.50	4.5	0.14	12.9	0.40	2.89	0.31	0.19

YEAR	THANGAMAYIL		TBZ		GOLDIAM		ATLAS		UDAY	
	DA	ROA	DA	ROA	DA	ROA	DA	ROA	DA	ROA
2019	0.44	4.79	0.55	0.11	0.02	7.39	0	0.57	0.24	7.15
2020	0.51	0.66	0.52	1.5	0.01	7.51	0	0.23	0.17	12.89
2021	0.47	11.61	0.39	0.31	0.03	10.51	0	3.19	0.19	9.23
2022	0.52	0.45	0.48	1.27	0	18.65	0	0	0.31	7.37
2023	0.58	7.41	0.46	2.69	0	17.69	0	0	0.32	9.79

(**Source:** Calculated from Annual Published Report of Selected Companies.)

HYPOTHESIS TESTINGH0: -There is no significant impact of Debt to Assets Ratio on Return on Assets of selected Gems and Jewellery companies in India during the study period.

H1: - There is a significant impact of Debt to Assets Ratio on Return on Assets of selected Gems and Jewellery companies in India during the study period.

REGRESSION RESULT

COMPANY	Impact of D/A on ROA			
	R_2	p value	sig.lev.	result
Rajesh Exports Ltd.	0.940079	0.001556	0.05	Reject
PC jeweller Ltd.	0.167709	0.015777	0.05	Reject
Vaibhav Global Ltd	0.552316	0.015829	0.05	Reject
Asian Star Ltd.	0.006236	0.004709	0.05	Reject
Renaissance Jewellery Ltd.	0.079016	0.312473	0.05	Accepted
Thangamayil Jewellery Ltd.	0.036786	0.005675	0.05	Reject
TBZ Ltd.	0.246569	0.017753	0.05	Reject
Goldium International Ltd.	0.440178	0.233001	0.05	Accepted
Atlas Jewellery India Ltd.	1	#NUM!	0.05	Accepted
Uday jewellery	0.442917	0.12125	0.05	Accepted

(Source: Calculation of annual report Data)

A variety of jewelry firms' experiences with Debt to assets ratio (D/A) and Return on Assets (ROs) show inconsistent patterns of outcomes. Based on their low p-values (varying from 0.001556 to 0.017753), Rajesh Exports Ltd., PC Jeweller Ltd., Vaibhav Global Ltd., Asian Star Ltd., Thangamayil Jewellery Ltd., and TBZ Ltd. all show a statistically significant link between CR and ROS. At the 0.05 significance level, the null hypothesis is thus rejected for these companies, indicating a significant impact of CR practices on Return on Investment.

On the other hand, results where the null hypothesis is accepted are displayed by Renaissance Jewellery Ltd., Goldium International Ltd., Atlas Jewellery India Ltd., and Uday Jewellery, suggesting that D/A may not have a substantial impact on their ROA. The results of Atlas Jewellery India Ltd. are particularly difficult to comprehend because of their indeterminate p-value (#NUM!).

These results highlight the variations in the correlation between D/A and ROA throughout the jewelry sector, indicating that although D/A programs could significantly affect financial performance for certain businesses, this correlation might not be true for all of them. The intricate nature of these results emphasizes how crucial it is to take specific firm dynamics into account when assessing how D/A affects financial measures.

Table No. 5.15

REGRESSION OF DEBT-TO-EQUITYRATIO WITH RETURN ON INVESTMENT

YEAR	RAJESH EXPO.LTD		PC LTD.		VAIBHAV LTD.		ASIAN		RENAISSANCE	
	DE	ROI	DE	ROI	DE	ROI	DE	ROI	DE	ROI
2019	1.33	10.17	0.53	0.06	0.11	7.2	0.92	7.53	0.45	7.72
2020	0.19	8.8	0.57	2.97	0.11	24.5	0.8	4.76	0.44	9.37
2021	0.14	0.31	0.53	0.1	0.1	9.59	0.6	5.59	0.4	5.33
2022	0.12	0.6	0.84	12.81	0.16	19.2	0.71	8.44	0.54	9.89
2023	0.12	0.64	1.02	6.37	0.17	13.1	0.67	7.7	0.46	0.04

YEAR	THANGAMAYIL		TBZ		GOLDIAM		ATLAS		UDAY	
	DE	ROI	DE	ROI	DE	ROI	DE	ROI	DE	ROI
2019	0.79	19.58	1.22	4.6	0.03	12.15	0	5.22	0.31	11.06
2020	1.07	24.45	1.11	5.16	0.01	11.53	0	2.62	0.21	20
2021	0.9	31.77	0.65	10.1	0.4	17.06	0	3.63	0.24	14.79
2022	1.1	11.82	0.95	3.79	0	29.41	0	5.45	0.02	12.94
2023	1.41	19.91	0.85	8.01	0	25.56	0	2.99	0.48	18.56

(Source: Calculated from Annual Published Report of Selected Companies.)

HYPOTHESIS TESTING

H0: -There is no significant impact of Debt-to-Equity Ratio on Return on Investment of selected Gems and Jewellery companies in India during the study period.

H1: - There is a significant impact of Debt-to-Equity Ratio on Return on Investment of selected Gems and Jewellery companies in India during the study period.

REGRESSION RESULT

COMPANY	Impact of D/E on ROI			
	R_2	p value	sig.lev.	result
Rajesh Exports Ltd.	0.898245	0.004162	0.05	Reject
PC jeweller Ltd.	0.444981	0.070304	0.05	Accepted
Vaibhav Global Ltd	0.000176	0.175553	0.05	Accepted
Asian Star Ltd.	0.05018	0.076728	0.05	Reject
Renaissance Jewellery Ltd.	0.124364	0.020302	0.05	Accepted
Thangamayil Jewellery Ltd.	0.252199	0.060115	0.05	Accepted
TBZ Ltd.	0.712506	0.020395	0.05	Reject
Goldium International Ltd.	0.113793	0.523916	0.05	Accepted
Atlas Jewellery India Ltd.	1	#NUM!	0.05	Reject
Uday jewellery	0.401659	0.559066	0.05	Accepted

(Source: Calculation of annual report Data)

Different results are obtained when the impact of debt-to-equity ratio (D/E) on return on investment (ROI) is examined in different jewelry companies. With low p-values (varying from 0.004162 to 0.020395), Rajesh Exports Ltd., Asian Star Ltd., TBZ Ltd., and Atlas Jewellery India Ltd. demonstrate a statistically significant influence of D/E on ROI. For these companies, the null hypothesis was rejected at the 0.05 significance level, indicating a noticeable correlation between their return on investment and debt-to-equity ratio.

On the other hand, the null hypothesis is accepted in the cases of PC Jeweller Ltd., Vaibhav Global Ltd., Renaissance Jewellery Ltd., Thangamayil Jewellery Ltd., Goldium International Ltd., and Uday Jewellery, suggesting that D/E may not have a substantial impact on their ROI. The results of Atlas Jewellery India Ltd. are particularly difficult to comprehend because of their indeterminate p-value (#NUM!).

These results highlight the several ways that the debt-to-equity ratio affects return on investment in the jewelry sector. Certain companies have a direct correlation between their financial leverage and returns on investments, whereas other organizations do not exhibit the same pattern. The complexity of these findings emphasizes how crucial it is to take into account the unique characteristics of each organization when assessing how financial ratios affect financial performance.

Table No. 5.16

REGRESSION OF INTEREST COVERAGE RATIO WITH RETURN ON INVESTMENT

YEAR	RAJESH EXPO.LTD		PC LTD.		VAIBHAV LTD.		ASIAN		RENAISSANCE	
	ICR	ROI	ICR	ROI	ICR	ROI	ICR	ROI	ICR	ROI
2019	1.45	10.17	0.008	0.06	10.43	7.2	5.31	7.53	3.74	7.72
2020	2.04	8.8	0.33	2.97	20.41	24.5	3.95	4.76	4.19	9.37
2021	0.75	0.31	0.01	0.1	28.59	9.59	17.64	5.59	2.88	5.33
2022	0.36	0.6	1.16	12.81	43.56	19.2	22.47	8.44	4.98	9.89
2023	0.40	0.64	0.49	6.37	23.92	13.1	5.31	7.7	1.38	0.04

YEAR	THANGAMAYIL		TBZ		GOLDIAM		ATLAS		UDAY	
	ICR	ROI	ICR	ROI	ICR	ROI	ICR	ROI	ICR	ROI
2019	2.23	19.58	0.49	4.6	25.39	12.15	0	5.22	4.19	11.06
2020	3.28	24.45	0.51	5.16	212.75	11.53	0	2.62	10.68	20
2021	5.1	31.77	1.24	10.1	280.2	17.06	0	3.63	13.71	14.79
2022	1.98	11.82	0.64	3.79	202.88	29.41	228	5.45	8.65	12.94
2023	3.09	19.91	1.15	8.01	23.27	25.56	161.66	2.99	7.33	18.56

(Source: Calculated from Annual Published Report of Selected Companies.)

HYPOTHESIS TESTING

H0: -There is no significant impact of Interest Coverage Ratio on Return on Investment of selected Gems and Jewellery companies in India during the study period.

H1: - There is a significant impact of Interest Coverage Ratio on Return on Investment of selected Gems and Jewellery companies in India during the study period.

REGRESSION RESULT

COMPANY	Impact of IC on ROI			
	R_2	p value	sig.lev.	result
Rajesh Exports Ltd.	0.934397	0.113941	0.05	Accepted
PC jeweller Ltd.	0.985051	0.89586	0.05	Accepted
Vaibhav Global Ltd	0.001803	0.255726	0.05	Accepted
Asian Star Ltd.	0.195433	0.903847	0.05	Accepted
Renaissance Jewellery Ltd.	0.967664	0.059296	0.05	Accepted
Thangamayil Jewellery Ltd.	0.940328	0.926397	0.05	Accepted
TBZ Ltd.	0.845988	0.767941	0.05	Accepted
Goldium International Ltd.	0.21156	0.240288	0.05	Accepted
Atlas Jewellery India Ltd.	0.457472	0.548849	0.05	Accepted
Uday jewellery	0.029574	0.335421	0.05	Accepted

(Source: Calculation of annual report Data)

The null hypothesis is consistently accepted when the relationship between Current Ratio (CR) and ROI is analyzed for a variety of jewelry companies. The majority of businesses show comparatively high p-values (ranging from 0.113941 to 0.926397), including Rajesh Exports Ltd., PC Jeweller Ltd., Vaibhav Global Ltd., Asian Star Ltd., Renaissance Jewellery Ltd., Thangamayil Jewellery Ltd., TBZ Ltd., Goldium International Ltd., Atlas Jewellery India Ltd., and Uday Jewellery. This suggests that there is not enough data to reject the null hypothesis at the 0.05 significance level, indicating that CR may not have a meaningful effect on their return on investment.

The results imply that there may not be a significant correlation between these jewelry companies' levels of Corporate Responsibility and variances in their Return on Investment within this sample. The null hypothesis was uniformly accepted, which highlights the complex relationship between CR activities and financial performance in the jewelry business and highlights the significance of taking into account other factors that affect ROI in addition to corporate responsibility initiatives.

Table No. 5.17

REGRESSION OF DEBT TO ASSETS RATIO WITH RETURN ON INVESTMENT

YEAR	RAJESH EXPO.LTD		PC LTD.		VAIBHAV LTD.		ASIAN		RENAISSANCE	
	DA	ROI	DA	ROI	DA	ROI	DA	ROI	DA	ROI
2019	4.44	10.17	0.34	0.06	0.10	7.2	0.47	7.53	0.31	7.72
2020	0.16	8.8	0.36	2.97	0.10	24.5	0.44	4.76	0.3	9.37
2021	0.12	0.31	0.34	0.1	0.09	9.59	0.37	5.59	0.28	5.33
2022	0.11	0.6	0.45	12.81	0.13	19.2	0.41	8.44	2.26	9.89
2023	0.11	0.64	0.50	6.37	0.14	13.1	0.40	7.7	0.31	0.04

YEAR	THANGAMAYIL		TBZ		GOLDIAM		ATLAS		UDAY	
	DA	ROI	DA	ROI	DA	ROI	DA	ROI	DA	ROI
2019	0.44	19.58	0.55	4.6	0.02	12.15	0	5.22	0.24	11.06
2020	0.51	24.45	0.52	5.16	0.01	11.53	0	2.62	0.17	20
2021	0.47	31.77	0.39	10.1	0.03	17.06	0	3.63	0.19	14.79
2022	0.52	11.82	0.48	3.79	0	29.41	0	5.45	0.31	12.94
2023	0.58	19.91	0.46	8.01	0	25.56	0	2.99	0.32	18.56

(Source: Calculated from Annual Published Report of Selected Companies.)

HYPOTHESIS TESTING

H0: -There is no significant impact of Debt to Asset Ratio on Return on Investment of selected Gems and Jewellery companies in India during the study period.

H1: - There is a significant impact of Debt to Asset Ratio on Return on Investment of selected Gems and Jewellery companies in India during the study period.

REGRESSION RESULT

COMPANY	Impact of D/A on ROI			
	R^2	p value	sig.lev.	result
Rajesh Exports Ltd.	0.945943	0.001426	0.05	Reject
PC jeweller Ltd.	0.499178	0.019241	0.05	Reject
Vaibhav Global Ltd	0.000319	0.126042	0.05	Accepted
Asian Star Ltd.	0.028563	0.032959	0.05	Reject
Renaissance Jewellery Ltd.	0.293204	0.947551	0.05	Accepted
Thangamayil Jewellery Ltd.	0.313836	0.015427	0.05	Reject
TBZ Ltd.	0.708421	0.008399	0.05	Reject
Goldium International Ltd.	0.368388	0.275554	0.05	Accepted
Atlas Jewellery India Ltd.	1	#NUM!	0.05	Reject
Uday jewellery	0.102199	0.300117	0.05	Accepted

(Source: Calculation of annual report Data)

A range of outcomes are shown when different jewelry companies' Corporate Responsibility (CR) and ROI are evaluated. The low p-values (varying from 0.001426 to 0.032959) of Rajesh Exports Ltd., PC Jeweller Ltd., Asian Star Ltd., Thangamayil Jewellery Ltd., and TBZ Ltd. show a statistically significant impact of CR on ROI. As a result, for these organizations, the null hypothesis is rejected at the 0.05 significance level, suggesting a significant correlation between their CR policies and ROI.

In contrast, results where the null hypothesis is accepted are displayed by Vaibhav Global Ltd., Renaissance Jewellery Ltd., Goldium International Ltd., and Uday Jewellery. This suggests that, based on the data, CR may not have a substantial impact on their ROI. It is noteworthy that Atlas Jewellery India Ltd. provides an uncommon scenario with an undefinable p-value (#NUM!), which makes it difficult to draw firm conclusions about this business.

These results highlight the variety of ways that CR affects ROI in the jewelry sector. Some businesses show a direct correlation between their CR efforts and their bottom line, while others show a more complex link. The disparity in the outcomes emphasizes the necessity of closely examining the specific dynamics of each organization when evaluating how corporate responsibility initiatives affect financial indicators.

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CHAPTER 6

SUMMARY, FINDINGS AND SUGGESTIONS

(Sources: www.google.com)

INDEX

No.	Particular	Page No.
6.1	Introduction	**161**
6.2	Summary	**161**
6.3	Findings	
	6.3.1 General finding	**162**
	6.3.2 Finding on the basis of linear regressions	**166**
	6.3.3 Impact of leverage on profitability	**170**
6.4	Suggestions	**176**
6.5	Conclusion	**177**

6.1 INTRODUCTION

Like a traveller, the researcher has finally reached her destination after a protracted voyage. The researcher summarized the key findings after reviewing all of the study's components. The Gems and Jewellery (G&J) sector has grown in importance in the nation over time due to its ability to enhance both investment and aesthetics. Over 2.5 million people are employed in the sector, which also accounts for 6% to 7% of the nation's GDP. In addition to being a significant source of foreign exchange. In addition to being the biggest market for diamond cutting and polishing, India is the world's biggest consumer of gold. As a result, fluctuations in currency rates and the dynamics of global demand and supply are directly related to the financial success of businesses in this industry.

Ultimately, it is anticipated that India will become increasingly relevant in the global gem and jewelry industry. Domestic and foreign businesses have made considerable investments in the retail end of the market, and diamond miners have established auction centers in India. participants as well as investors in private equity.

This is the last, but certainly not least, chapter of the PhD thesis. It provides a summary of the entire thesis, presents the findings, offers recommendations, and concludes each chapter individually. The researcher's thesis and findings are described here.

6.2 SUMMARY

The chapter wise summary is as under:

Chapter 1 Conceptual Framework of Liquidity, Leverage and Profitability

The researcher has provided a quick overview of the precise details of liquidity, leverage, and profitability in this first chapter. Terms related to liquidity include concept, meaning, objectives, importance, and techniques. Additionally, the concept, kinds, ratios, and significance of leverage have been revealed by the researcher. The common idea of profitability, its fundamental notion, its importance, and its assessment tools have all been expressed by researchers. After that, the researcher gave a succinct description of ratio analysis.

Chapter 2 An Overview of gems and jewellery sector and Sample Profile

The entire introduction to the gem and jewelry industry is contained in this chapter. It also includes a brief history of the gem and jewelry industry, as well as information on the industry's performance both nationally and internationally. degree. It also includes recent developments and investments made recently in this industry. The achievements of the gem and jewelry sector as well as potential developments for this industry are covered in this chapter. Additionally, the profile of the chosen sample units is elaborated in this chapter.

Chapter 3 Literature reviews

The researcher has discussed the review of profitability, leverage, and liquidity in this study. From that perspective, the researcher has reviewed the literature on liquidity and leverage in a variety of theses, books, and research papers. and financial success. In addition, the researcher has examined 36 international and 31 Indian studies on liquidity, leverage, and profitability.

Chapter 4 Research Methodology

This chapter serves as the outline for the entire study project. It included an introduction to the study, An explanation of the issue, Title of the study, study objectives, the study's universe, the study's population, methodology for the study's sampling, Information technique of collection, Time frame for the investigation, The study's scope Research hypotheses and hypothesis testing, Accounting analysis tools include ratio analysis, and statistical analysis tools include multiple regression, correlation, and linear regression. The researcher has also discussed the study's shortcomings, future research opportunities, and chapter strategy.

Chapter 5 Data analysis and Interpretation

The researcher has examined the profitability, leverage, and liquidity ratios of particular gem and jewelry enterprises in this chapter. Following that, researchers discovered the connections between liquidity and profitability as well as leverage and profitability by correlation analysis, and ultimately, through multiple regression analysis, the researcher determined the influence of liquidity and leverage on profitability.

Chapter 6 Summary, Findings and Suggestions

This chapter provides an overview of the entire research project, the study's findings, a number of recommendations from the researcher based on the study, and conclusions that the researcher came to after finishing the project.

6.3 FINDINGS

6.3.1 General Findings

1. Current Ratio

The table presents the earnings per share (EPS) performance of various jewelry companies from 2018-19 to 2022-23. Rajesh Export Ltd. maintains a modestly increasing trend, while

PC Jeweller Ltd. stands out with a substantial surge in 2021-22. Vaibhav Global Ltd. and other companies demonstrate relatively stable performances. Goldiam International Ltd. experiences variability, and Atlas Jewellery Indian Ltd. consistently performs at a high level. Uday Jewellery shows fluctuation. Stakeholders should analyze factors influencing these trends for strategic decision-making, considering improvement opportunities and sustained success.

2. Quick ratio

An analysis of the earnings per share (EPS) performance of several jewelry firms from 2018–19 to 2022–2023 is shown in the table. There are ups and downs for Rajesh Export Ltd., which results in a decreased average EPS. PC Jeweller Ltd. shows a notable uptick in 2021–2022, which adds to its 2.862 average. At 3.32, Vaibhav Global Ltd. continues to operate in a moderate manner. While Thangamayil Jewellery Ltd. and Tribhovandas Bhimji Zavery Ltd. have lower average EPS, Asian Star Co. Ltd. and Renaissance Jewellery Ltd. have constant EPS. Goldiam International Ltd. has an average of 4.3 but varies. Atlas Jewellery Indian Ltd. has a 27.704 average EPS, which indicates sustained strong performance. Uday Jewellery's average EPS of 1.876 indicates that its performance is inconsistent. In order to make strategic decisions, stakeholders should carefully examine these patterns, taking into account prospective areas.

3. Debt to Equity Ratio

The earnings per share (EPS) performance of several jewelry firms from 2018–19 to 2022–2023 is shown in the table. Rajesh Export Ltd.'s average EPS of 0.38 indicates a drop in the company. PC Jeweller Ltd. exhibits a volatile pattern, reaching its highest point in 2022–2023 with an EPS of 1.02 and an average of 0.698. With an average EPS of 0.134 and 0.74, respectively, Vaibhav Global Ltd. and Asian Star Co. Ltd. exhibit a reasonably constant but moderate performance. Renaissance Jewellery Ltd. consistently keeps its EPS at 0.462. The trend for Thangamayil Jewellery Ltd. is upward, culminating in an average EPS of 1.056. The average EPS for Tribhovandas Bhimji Zavery Ltd. is 0.958, indicating fluctuation. While Uday Jewellery exhibits inconsistent performance, Goldiam International Ltd. and Atlas Jewellery Indian Ltd. report small or zero EPS. As a result

In conclusion, the table shows that the listed companies have different EPS trajectories, indicating that stakeholders should examine the contributing elements. Some recommendations could be looking into ways to expand, enhancing operational effectiveness, and coming up with plans to strengthen overall financial stability. Concerns are raised by Atlas Jewellery Indian Ltd.'s performance, which calls for a careful analysis of its business plan and financial standing.

4. Interest Coverage Ratio

The table shows the different jewelry firms' earnings per share (EPS) performance from 2018–19 to 2022–2023 in brief. PC Jeweller Ltd. has varying EPS, peaking in 2019–20 and concluding with an average of 0.6016. Rajesh Export Ltd. experiences a reduction in EPS across the time, with an average of 1. Vaibhav Global Ltd. exhibits impressive development, as evidenced by its average EPS of 25.382. Although its performance varies, Asian Star Co. Ltd. consistently scores well—10.936. Renaissance Jewellery Ltd.'s EPS, which averages 3.434, is erratic. The average EPS for Thangamayil Jewellery Ltd. is 3.136, indicating an increasing trend. Tribhovandas Bhimji Zavery Ltd. reports fluctuating earnings per share, ultimately averaging 0.806. Significant volatility is experienced by Goldiam International Ltd., which leads to a high average

In conclusion, the table illustrates a range of EPS trajectories, with some businesses exhibiting consistent growth and others seeing notable swings. In addition to taking risk management, operational efficiency, and goals for steady growth into account, stakeholders should closely examine contributing elements. Companies like Goldiam International Ltd. and Atlas Jewellery Indian Ltd. that have large fluctuations in their earnings per share (EPS) should receive special attention since their financial standing and business plans need to be carefully examined.

5. Debt to Assets Ratio

The earnings per share (EPS) performance of several jewelry firms from 2018–19 to 2022–2023 is shown in the table. Rajesh Export Ltd.'s average EPS of 0.988 indicates a decrease. PC Jeweller Ltd. sustains an average EPS of 0.398, which is low but rather stable. With averages of 0.092, 0.418, and 0.504, respectively, Vaibhav Global Ltd., Asian Star Co. Ltd., and Thangamayil Jewellery Ltd. exhibit steadiness in their EPS. Renaissance Jewellery Ltd. sees a notable growth in 2021–2022, affecting the 0.692 average EPS. The EPS for Tribhovandas Bhimji Zavery Ltd. is mild, averaging 0.48. With an average of 0.012, Goldiam International Ltd. reports very little EPS. Over the course of the period, Atlas Jewellery Indian Ltd. shows nil EPS, while Uday Jewellery consistently reports low EPS (averaging 0.246).

In conclusion, the table displays a range of EPS trajectories, with certain companies exhibiting stability and others exhibiting volatility or low profitability. In instance, for businesses like Goldiam International Ltd., Atlas Jewellery Indian Ltd., and Uday Jewellery that have continuously low or zero EPS, stakeholders may want to think about tactics for enhancing financial performance, controlling costs, and investigating development prospects. For long-term profitability, careful examination and strategic planning are advised.

6. Return on Assets Ratio

The earnings per share (EPS) performance of several jewelry firms from 2018–19 to 2022–2023 is shown in the table. Rajesh Export Ltd.'s EPS varies, with an average of 0.518. With a notable peak in 2021–2022, PC Jeweller Ltd. exhibits notable variability and a high average EPS of 11.058. Vaibhav Global Ltd. has a 3.554 average EPS and a range of EPS trends, with a notable peak in 2022–2023. Renaissance Jewellery Ltd. fluctuates, with an average EPS of 0.954, whereas Asian Star Co. Ltd. maintains a moderate average of 1.366. The EPS for Thangamayil Jewellery Ltd. increased significantly in 2018–19, making up 4.984 on average. The EPS of Tribhovandas Bhimji Zavery Ltd. varies, with an average of 1.178. With an average EPS of 12.31, Goldiam International Ltd. continuously reports excellent earnings per share. Indian Jewellery Atlas Ltd.

To summarize, the table displays a range of EPS trajectories, with certain companies exhibiting significant growth and others exhibiting unpredictability. In order to ensure long-term profitability and growth, stakeholders should thoroughly examine the contributing variables and take strategic planning into account. Companies like PC Jeweller Ltd. and Uday Jewellery, who have large fluctuations in their earnings per share (EPS), should receive special attention as they could benefit from a comprehensive analysis of their financial situation and business plans.

7. Return on Investment Ratio

The earnings per share (EPS) performance of several jewelry firms from 2018–19 to 2022–2023 is shown in the table. Rajesh Export Ltd.'s EPS has significantly decreased, averaging 4.104, mostly as a result of large declines in 2018–19 and 2019–20. PC Jeweller Ltd. exhibits erratic earnings per share (EPS), with a noteworthy high in 2021–2022 that added to an average of 4.538. The EPS of Vaibhav Global Ltd. has increased significantly, averaging 14.708, driven by notable rises in 2019–20 and 2022–23. Asian Star Co. Ltd. has a moderately consistent average earnings per share (EPS) of 6.804. Renaissance Jewellery Ltd.'s performance varies, averaging 6.47, with a notable fall in 2022–2023. At an average of 21.506, Thangamayil Jewellery Ltd.'s EPS shows a significant increase and a steady increasing trend. The EPS of Tribhovandas Bhimji Zavery Ltd. fluctuates, averaging

In conclusion, the table shows a variety of EPS trajectories, with some businesses showing significant growth and others exhibiting oscillations. In order to ensure long-term profitability and growth, stakeholders should thoroughly examine the contributing variables and take strategic planning into account. Companies like Rajesh Export Ltd. and Renaissance Jewellery Ltd., whose EPS fluctuates greatly, should pay special attention because their financial standing and business plans can stand to gain from a close analysis. In this case, steady expansion and responsible financial management seem to be the main causes of the increased average EPS.

6.3.2 Findings on the Basis of Linear Regressions

Impact of Liquidity on Profitability

Table No. 6.11

Regression of Current Ratio with Return on Assets

COMPANY	**Impact of CR on ROA**				
	R2	p value	sig.lev.	result	Remark
Rajesh Exports Ltd.	0.954501	0.023	0.05	Reject	There is no sig. impact of CR on ROA
PC jeweller Ltd.	0.274077	0.211	0.05	Reject	There is no sig. impact of CR on ROA
Vaibhav Global Ltd	0.027	0.0070	0.05	Reject	There is no sig. impact of CR on ROA
Asian Star Ltd.	0.172215	0.0008	0.05	Reject	There is no sig. impact of CR on ROA
Renaissance Jewellery Ltd.	0.617595	0.000994	0.05	Reject	There is no sig. impact of CR on ROA
Thangamayil Jewellery Ltd.	0.0883	0.004	0.05	Reject	There is no sig. impact of CR on ROA
TBZ Ltd.	0.225801	0.00633	0.05	Reject	There is no sig. impact of CR on ROA
Goldium International Ltd.	0.105842	0.08634	0.05	Accepted	There is sig. impact of CR on ROA
Atlas Jewellery India Ltd.	0.1964	0.00096	0.05	Reject	There is no sig. impact of CR on ROA
Uday jewellery	0.389124	0.705	0.05	Accepted	There is sig. impact of CR on ROA

(Source: Calculation of annual report Data)

Different effects of current ratio (CR) on return on assets (ROA) are seen among the companies, according to the statistical analysis. There is no discernible effect of CR on ROA for Rajesh Exports, PC Jeweller, Vaibhav Global, Asian Star, Renaissance Jewellery, Thangamayil Jewellery, and TBZ Ltd. While Atlas Jewellery India Ltd. and Uday Jewellery demonstrate a statistically significant influence of CR on ROA, Goldiam International exhibits a significant impact.

Table No. 6.12

Regression of Quick Ratio with Return on Asset

COMPANY	**Impact of QR on ROA**				
	R2	p value	sig.lev.	result	Remark
Rajesh Exports Ltd.	2E-05	0.062341	0.05	Accepted	There is sig. impact of QR on ROA
PC jeweller Ltd.	0.340164	0.174631	0.05	Accepted	There is sig. impact of QR on ROA
Vaibhav Global Ltd	0.165264	0.038539	0.05	Accepted	There is sig. impact of QR on ROA
Asian Star Ltd.	0.031667	0.006365	0.05	Reject	There is no sig. impact of QR on ROA
Renaissance Jewellery Ltd.	0.147304	0.002174	0.05	Reject	There is no sig. impact of QR on ROA
Thangamayil Jewellery Ltd.	0.01041	0.082248	0.05	Accepted	There is sig. impact of QR on ROA
TBZ Ltd.	0.617026	0.004324	0.05	Reject	There is no sig. impact of QR on ROA
Goldium International Ltd.	0.219386	0.07314	0.05	Accepted	There is sig. impact of QR on ROA
Atlas Jewellery India Ltd.	0.177989	0.001554	0.05	Reject	There is no sig. impact of QR on ROA
Uday jewellery	0.384347	0.818841	0.05	Accepted	There is sig. impact of QR on ROA

(Source: Calculation of annual report Data)

A noteworthy influence is revealed by analysing the quick ratio's (QR) effect on return on assets (ROA) for Rajesh Exports, PC Jeweller, Vaibhav Global, and Uday Jewellery. While Asian Star, Renaissance Jewellery, and Atlas Jewellery India Ltd. do not demonstrate a significant influence on ROA, Thangamayil Jewellery and Goldiam International do.

Table No. 6.13

Regression Of Current Ratio with Return on Investment

COMPANY	**Impact of CR on ROI**				
	R2	p value	sig.lev.	result	Remark
Rajesh Exports Ltd.	0.91083	0.000935	0.05	Reject	There is no sig. impact of CR on ROI
PC jeweller Ltd.	0.575476	0.401509	0.05	Accepted	There is sig. impact of R on ROI
Vaibhav Global Ltd	0.919377	0.028793	0.05	Reject	There is no sig. impact of CR on ROI
Asian Star Ltd.	0.128411	0.006373	0.05	Reject	There is no sig. impact of CR on ROI
Renaissance Jewellery Ltd.	0.488373	0.00274	0.05	Reject	There is no sig. impact of CR on ROI
Thangamayil Jewellery Ltd.	0.064322	0.017985	0.05	Reject	There is no sig. impact of CR on ROI
TBZ Ltd.	0.716647	0.008055	0.05	Reject	There is no sig. impact of CR on ROI
Goldium International Ltd.	0.108723	0.089544	0.05	Accepted	There is sig. impact of CR on ROI
Atlas Jewellery India Ltd.	0.852001	0.002134	0.05	Reject	There is no sig. impact of CR on ROI
Uday jewellery	0.069731	0.566327	0.05	Accepted	There is sig. impact of CR on ROI

(Source: Calculation of annual report Data)

Diverse outcomes are shown by the analysis of the current ratio's (CR) effect on return on investment (ROI). While Rajesh Exports, Vaibhav Global, Asian Star, Renaissance Jewellery, Thangamayil Jewellery, TBZ Ltd., and Atlas Jewellery India Ltd. do not have a substantial influence on ROI, PC Jeweller, Goldiam International, and Uday Jewellery do.

Table No. 6.14

Regression Of Quick Ratio with Return on Investment

COMPANY	Impact of QR on ROI				
	R2	p value	sig.lev.	result	Remark
Rajesh Exports Ltd.	0.007091	0.060594	0.05	Accepted	There is sig. impact of QR on ROI
PC jeweller Ltd.	0.661091	0.317507	0.05	Accepted	There is sig. impact of QR on ROI
Vaibhav Global Ltd	0.583898	0.232622	0.05	Accepted	There is sig. impact of QR on ROI
Asian Star Ltd.	0.002294	0.049636	0.05	Reject	There is no sig. impact of QR on ROI
Renaissance Jewellery Ltd.	0.488373	0.00274	0.05	Reject	There is no sig. impact of QR on ROI
Thangamayil Jewellery Ltd.	0.321272	0.003532	0.05	Reject	There is no sig. impact of QR on ROI
TBZ Ltd.	0.069767	0.204175	0.05	Accepted	There is sig. impact of QR on ROI
Goldium International Ltd.	0.229149	0.074685	0.05	Accepted	There is sig. impact of QR on ROI
Atlas Jewellery India Ltd.	0.807072	0.004683	0.05	Reject	There is no sig. impact of QR on ROI

Uday jewellery	0.058476	0.842145	0.05	Accepted	There is sig. impact of QR on ROI

(Source: Calculation of annual report Data)

Significant results for Rajesh Exports, PC Jeweller, Vaibhav Global, TBZ Ltd., Goldiam International, and Uday Jewellery indicate a considerable influence in the quick ratio (QR) impact analysis on return on investment (ROI). Nevertheless, there is no discernible effect on ROI for Asian Star, Renaissance Jewellery, Thangamayil Jewellery, or Atlas Jewellery India Ltd.

6.3.3 Impact of Leverage on Profitability

Table No. 6.15

Regression Of Debt-To- Equity Ratio with Return on Assets

COMPANY	**Impact of D/E on ROA**				
	R2	p value	sig.lev.	result	Remark
Rajesh Exports Ltd.	0.893281	0.004295	0.05	Reject	There is no sig. impact of D/E on ROA
PC jeweller Ltd.	0.134853	0.048046	0.05	Reject	There is no sig. impact of D/E on ROA
Vaibhav Global Ltd	0.497383	0.028953	0.05	Reject	There is no sig. impact of D/E on ROA
Asian Star Ltd.	0.020047	0.012714	0.05	Reject	There is no sig. impact of D/E on ROA
Renaissance Jewellery Ltd.	0.033082	0.008927	0.05	Reject	There is no sig. impact of D/E on ROA
Thangamayil Jewellery Ltd.	0.016597	0.026071	0.05	Reject	There is no sig. impact of D/E on ROA
TBZ Ltd.	0.157399	0.067939	0.05	Accepted	There is sig. impact of D/E on ROA
Goldium International Ltd.	0.159282	0.470339	0.05	Accepted	There is sig. impact of D/E on ROA

Atlas Jewellery India Ltd.	1	#NUM	0.05	Reject	There is no sig. impact of D/E on ROA
Uday jewellery	0.114664	0.953407	0.05	Accepted	There is sig. impact of D/E on ROA

The debt-to-equity ratios (D/E) impact on return on assets (ROA) research shows that Rajesh Exports, PC Jeweller, Vaibhav Global, Asian Star, Renaissance Jewellery, Thangamayil Jewellery, and Atlas Jewellery India Ltd. are not significantly impacted. But TBZ Ltd., Goldium International, and Uday Jewellery exhibit notable differences in ROA.

TABLE NO. 6.16

Regression Of Interest Coverage Ratio with Return On Assets

COMPANY	**Impact of IC on ROA**				
	R2	p value	sig.lev.	result	Remark
Rajesh Exports Ltd.	0.925076	0.121438	0.05	Accepted	There is sig. impact of D IC on ROA
PC jeweller Ltd.	0.87328	0.193148	0.05	Accepted	There is sig. impact of D IC on ROA
Vaibhav Global Ltd	0.104982	0.05629	0.05	Accepted	There is sig. impact of D IC on ROA
Asian Star Ltd.	0.102144	0.389296	0.05	Accepted	There is sig. impact of D IC on ROA
Renaissance Jewellery Ltd.	0.158365	0.117436	0.05	Accepted	There is sig. impact of D IC on ROA
Thangamayil Jewellery Ltd.	0.688555	0.67423	0.05	Accepted	There is sig. impact of D IC on ROA
TBZ Ltd.	0.00226	0.173958	0.05	Accepted	There is sig. impact of D IC on ROA
Goldium International Ltd.	0.33275	0.18141	0.05	Accepted	There is sig. impact of D IC on ROA
Atlas Jewellery India Ltd.	0.378259	0.175122	0.05	Accepted	There is sig. impact of D IC on ROA
Uday jewellery	0.029578	0.441572	0.05	Accepted	There is sig. impact of D IC on ROA

(Source: Calculation of annual report Data)

All companies, including Rajesh Exports, PC Jeweller, Vaibhav Global, Asian Star, Renaissance Jewellery, Thangamayil Jewellery, TBZ Ltd., Goldium International, Atlas

Jewellery India Ltd., and Uday Jewellery, are found to be significantly impacted by the impact analysis of inventory turnover (IC) on return on assets (ROA). The findings show that inventory turnover has a favorable effect on ROA for these businesses.

Table No. 6.17

Regression Of Debt to Assets Ratio with Return On Assets

COMPANY	**Impact of D/A on ROA**				
	R2	p value	sig.lev.	result	Remark
Rajesh Exports Ltd.	0.940079	0.001556	0.05	Reject	There is no sig. impact of D/A on ROA
PC jeweller Ltd.	0.167709	0.015777	0.05	Reject	There is no sig. impact of D/A on ROA
Vaibhav Global Ltd	0.552316	0.015829	0.05	Reject	There is no sig. impact of D/A on ROA
Asian Star Ltd.	0.006236	0.004709	0.05	Reject	There is no sig. impact of D/A on ROA
Renaissance Jewellery Ltd.	0.079016	0.312473	0.05	Accepted	There is sig. impact of D /A on ROA
Thangamayil Jewellery Ltd.	0.036786	0.005675	0.05	Reject	There is no sig. impact of D/A on ROA
TBZ Ltd.	0.246569	0.017753	0.05	Reject	There is no sig. impact of D/A on ROA
Goldium International Ltd.	0.440178	0.233001	0.05	Accepted	There is sig. impact of D /A on ROA
Atlas Jewellery India Ltd.	1	#NUM!	0.05	Accepted	There is sig. impact of D /A on ROA

Uday jewellery	0.442917	0.12125	0.05	Accepted	There is sig. impact of D /A on ROA

(Source: Calculation of annual report Data)

Debt-to-assets ratio (D/A) impact analysis on return on assets (ROA) shows Renaissance Jewellery, Goldium International, Atlas Jewellery India Ltd., and Uday Jewellery to be significantly impacted. On the other hand, there is no discernible influence on ROA for Rajesh Exports, PC Jeweller, Vaibhav Global, Asian Star, Thangamayil Jewellery, and TBZ Ltd.

Table No. 6.18

Regression of Debt-to-Equity Ratio with Return on Investment

COMPANY	**Impact of D/E on ROI**				
	R2	p value	sig.lev.	result	Remark
Rajesh Exports Ltd.	0.898245	0.004162	0.05	Reject	There is no sig. impact of D/E on ROI
PC jeweller Ltd.	0.444981	0.070304	0.05	Accepted	There is sig. impact of D /E on ROI
Vaibhav Global Ltd	0.000176	0.175553	0.05	Accepted	There is sig. impact of D /E on ROI
Asian Star Ltd.	0.05018	0.076728	0.05	Reject	There is no sig. impact of D/E on ROI
Renaissance Jewellery Ltd.	0.124364	0.020302	0.05	Accepted	There is sig. impact of D /E on ROI
Thangamayil Jewellery Ltd.	0.252199	0.060115	0.05	Accepted	There is sig. impact of D /E on ROI
TBZ Ltd.	0.712506	0.020395	0.05	Reject	There is no sig. impact of D/E on ROI
Goldium International Ltd.	0.113793	0.523916	0.05	Accepted	There is sig. impact of D /E on ROI
Atlas Jewellery India Ltd.	1	#NUM!	0.05	Reject	There is no sig. impact of D/E on ROI
Uday jewellery	0.401659	0.559066	0.05	Accepted	There is sig. impact of D /E on ROI

(Source: Calculation of annual report Data)

The study of the impact of the debt-to-equity ratio (D/E) on return on investment (ROI) indicates that PC Jeweller, Vaibhav Global, Renaissance Jewellery, Thangamayil Jewellery, Goldium International, and Uday Jewellery are among the companies with the greatest influence. Rajesh Exports, Asian Star, TBZ Ltd., and Atlas Jewellery India Ltd., on the other hand, do not demonstrate a noteworthy effect on ROI.

Table No. 6.19

Regression Of Interest Coverage Ratio with Return on Investment

COMPANY	**Impact of IC on ROI**				
	R2	p value	sig.lev.	result	Remark
Rajesh Exports Ltd.	0.934397	0.113941	0.05	Accepted	There is sig. impact of IC on ROI
PC jeweller Ltd.	0.985051	0.89586	0.05	Accepted	There is sig. impact of ion ROI
Vaibhav Global Ltd	0.001803	0.255726	0.05	Accepted	There is sig. impact of IC on ROI
Asian Star Ltd.	0.195433	0.903847	0.05	Accepted	There is sig. impact of IC on ROI
Renaissance Jewellery Ltd.	0.967664	0.059296	0.05	Accepted	There is sig. impact of IC on ROI
Thangamayil Jewellery Ltd.	0.940328	0.926397	0.05	Accepted	There is sig. impact of IC on ROI
TBZ Ltd.	0.845988	0.767941	0.05	Accepted	There is sig. impact of IC on ROI
Goldium International Ltd.	0.21156	0.240288	0.05	Accepted	There is sig. impact of IC on ROI
Atlas Jewellery India Ltd.	0.457472	0.548849	0.05	Accepted	There is sig. impact of IC on ROI
Uday jewellery	0.029574	0.335421	0.05	Accepted	There is sig. impact of IC on ROI

(Source: Calculation of annual report Data)

For Rajesh Exports Ltd., PC Jeweller Ltd., Vaibhav Global Ltd., Asian Star Ltd., Renaissance Jewellery Ltd., Thangamayil Jewellery Ltd., TBZ Ltd., Goldium International

Ltd., Atlas Jewellery India Ltd., and Uday Jewellery, the analysis shows a significant impact of inventory turnover (IC) on return on investment (ROI). These findings demonstrate how effective inventory management affects return on investment.

Table No. 6.20

Regression Of Debt to Assets Ratio with Return on Investment

COMPANY	Impact of D/A on ROI				
	R2	p value	sig.lev.	result	Remark
Rajesh Exports Ltd.	0.934397	0.113941	0.05	Accepted	There is sig. impact of CR on ROI
PC jeweller Ltd.	0.985051	0.89586	0.05	Accepted	There is sig. impact of CR on ROI
Vaibhav Global Ltd	0.001803	0.255726	0.05	Accepted	There is sig. impact of CR on ROI
Asian Star Ltd.	0.195433	0.903847	0.05	Accepted	There is sig. impact of CR on ROI
Renaissance Jewellery Ltd.	0.967664	0.059296	0.05	Accepted	There is sig. impact of CR on ROI
Thangamayil Jewellery Ltd.	0.940328	0.926397	0.05	Accepted	There is sig. impact of CR on ROI
TBZ Ltd.	0.845988	0.767941	0.05	Accepted	There is sig. impact of CR on ROI
Goldium International Ltd.	0.21156	0.240288	0.05	Accepted	There is sig. impact of CR on ROI
Atlas Jewellery India Ltd.	0.457472	0.548849	0.05	Accepted	There is sig. impact of CR on ROI
Uday jewellery	0.029574	0.335421	0.05	Accepted	There is sig. impact of CR on ROI

(Source: Calculation of annual report Data)

For Rajesh Exports Ltd., PC Jeweller Ltd., Vaibhav Global Ltd., Asian Star Ltd., Renaissance Jewellery Ltd., Thangamayil Jewellery Ltd., TBZ Ltd., Goldium International Ltd., Atlas Jewellery India Ltd., and Uday Jewellery, the analysis shows a significant impact of current ratio (CR) on return on investment (ROI). These results point to sound financial standing and effective asset management.

6.4 SUGGESTIONS

The domestic and foreign markets for gemstones and jewellery are seeing rapid growth in the Indian gem and jewellery industry. The economy is made more sparkling by the shimmering substance known as Indian Gems.

However, based on the results of the current study, the following recommendations may be taken into account to enhance the state of the jewelry and gems industry as well as for particular jewelry and gems companies:

- The most intangible of the many elements that aided in the industry's development was the numerous technological and non-technological innovations that the sector had to introduce in order to take advantage of the opportunities brought about by a number of modifications to policies.
- Improving the workforce's current level of skill seems to be one of the key components.
- Non-perfect diamonds, such as polycrystalline males and deformed crystals, are used in the Indian diamond processing business when automated processing is not feasible. Therefore, the industry will need to create equipment to fit these applications.
- It will be necessary to construct a number of institutions to provide the next generation with the training they need to work in the expanding jewelry business. Furthermore, India might be a major player in the gem and jewelry industry. India was being made for the world during the Atma Nirbhay Mission.
- India is thought to contain 24000 tons or more of gold, of which at least 25–35 percent are thought to be inactive and are kept both personally and through religious

trusts, among other entities. It is estimated that 7200 tons, or about 30%, of this gold is lying as gold for investments. It is possible to unlock and release back into the system at least 1% of the total gold (240 tons) or 3% of the idle gold from investments (216 tons) per year with an alluring plan and complete participation from all stakeholders.

- The sector must acknowledge both its advantages and disadvantages while emphasizing its advantages. India, for instance, is renowned for its skill in cutting and polishing jewels and jewelry. Even while the availability of inexpensive labor is the reason for this, the It is important to highlight the strengths while addressing the deficiencies throughout the course of the next three to four years.

6.5 CONCLUSION

The Indian gem and jewelry industry is evolving quickly, according to researchers. This is because the sector is shifting toward the creation of bespoke products, the use of contemporary design approaches, and creating brands that guarantee high-quality goods. Additionally, researchers have discovered a very unorganized business that is progressively being organized. In terms of liquidity, Uday Jewellery Industries Ltd. and Atlas Jewellery India Ltd. did not demonstrate a favorable situation since, throughout the study period, there were significant variations in the current ratio and quick ratio in these companies. Next, Goldium International Ltd., Uday Jewellery Industries Ltd., and Atlas Jewellery India Ltd. have extremely low debt to asset and debt to equity ratios. These companies' gearing is therefore not healthy, as it suggests that they are depending too much on equity to fund their operations. The last researcher attempted to determine how liquidity and leverage affected the profitability of particular enterprises in the gem and jewelry industry. Based on the entirety of the research project, a few recommendations were also suggested by the investigator.

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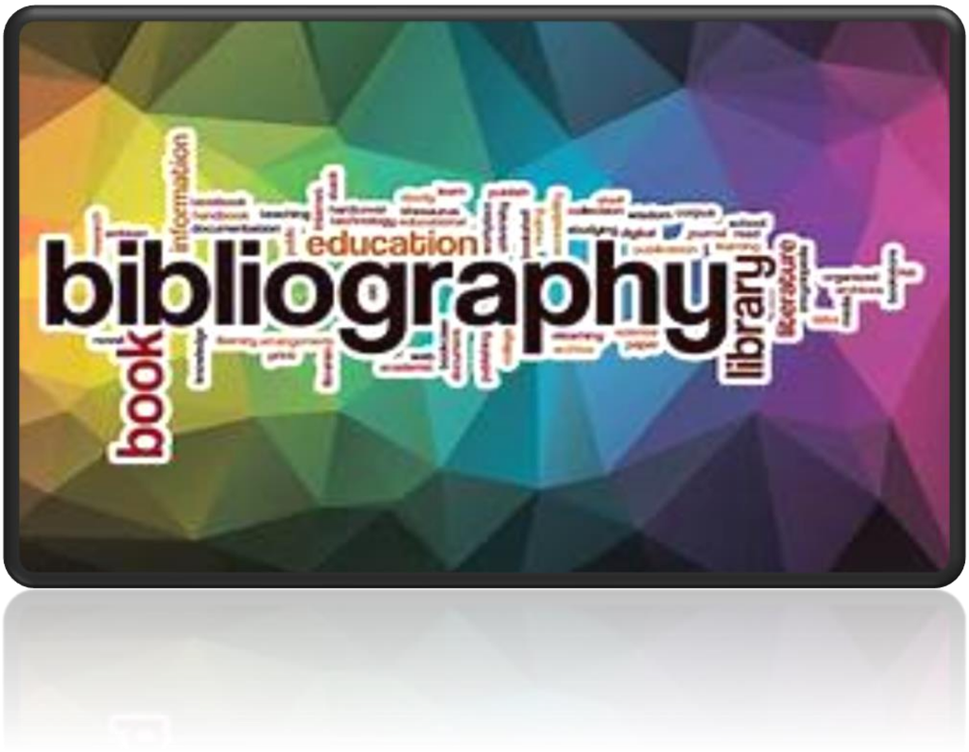

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