EBIT-EPS ANALYSIS HYUNDAI LIMITED.HYDERABAD

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ABSTRACT
Various analytical approaches are needed to find the ideal level of debt for the organization. Of them, capital structure ratio analysis methods get the most attention, including: Analysis of the company's capital structure using EBIT-EPS, coverage coefficients (ratios), and a set of so-called informal techniques of ratio analysis. Operating profit (EBIT) and profits per share (EPS) are disproportionately affected by the rise of debt, according to the study of financial leverage variables. Given the ability to visually and numerically represent such an analytical approach, the so-called operating profit - earnings per share analysis (EBIT - EPS analysis) was theoretically established in response to these effects. It includes study of the coverage point or financing indifference. For the visual representation, we need two points. The first one is derived from the formula for profits per share (EPS) multiplied by a certain amount of operational profit (EBIT). The amount of operational earnings (EBIT) needed to pay fixed expenditures for different financing options is the second point. Tabular or equation-based calculations are necessary for mathematical representations. Coverage (indifference) point determination and the two-way analytical approach of the so-called EBIT-EPS analysis are the goals of this study.

INTRODUCTION

INTRODUCTION TO EBIT-EPS ANALYSIS

Earnings before interest and taxes (EBIT) is the first metric to consider. Earnings before Interest and Taxes (EBIT) is what financial professionals use, whereas accountants use the term Net Operating Income. Net operating income is the remaining amount after deducting operational expenditures from sales in an income statement. This is the money that the business makes before deducting expenses like interest and taxes; consequently, it is a different way of looking at it.

NEAT is an abbreviation for "Net Income after Taxes," another name for EAT. While accountants prefer to use the terms net income and net profit after taxes, financial experts are more likely to use the acronym EAT. Executives' profit per share is measured by EPS. For every share of stock possessed, common shareholders are entitled to this amount. The corporation has several options with its windfall, including paying out dividends, reinvesting, or doing both. By comparing alternative financing options under different EBIT assumptions, the EBIT-EPS analysis enables one to examine the impact of leverage. Funding for an organization's investment projects might come from a variety of places, and the quantities could vary. Accordingly, it may (i) depend entirely on equity capital, (ii) depend entirely on debt, (iii) depend entirely on preference capital, (iv) use a mix of the two in varying proportions, (V) use a mix of the two in varying proportions, (vi) use a mix of the two in varying proportions, and so on. Given the current level of earnings before interest and taxes (EBIT), the optimal mix of these sources would be to maximize earnings per share (EPS) by...

INTRODUCTION TO LEVERAGES

The company must make investment and financial choices if it want to increase the share value. The quantity of money that needs to be invested is decided by the investment decision, whereas the finance decision specifies how the project will be funded. Possible sources of funding include ordinary shares, debentures, preference shares, long-term loans, retained profits, and retained earnings. The capital structure of a firm is its combination of stock and debt. Interest is paid on deeds. Stocks have the ability to provide dividends. The tax-deductible nature of debentures makes them a useful tool for raising capital's equity component. A business may increase the economic well-being of its shareholders via the use of fixed-cost assets and finance, a process called leverage. This occurs when a business utilizes leverage on assets from which it expects a regular withdrawal of capital or profit. "Favorable leverage" occurs when a business's return on investment (ROI) from its fixed assets exceeds their cost. You may anticipate a larger return even if you're paying more for leverage and taking on more risk.

The third kind of leverage is a mix of financial and operational leverage. Leverage in operations refers to the use of fixed expenses. Comparing sales revenues to EBIT is one method for determining operational leverage. The common term for earnings before interest and taxes (EBIT) is operating profit. The impact on operational profit is one way to quantify operational leverage. What we call "financial leverage" is the correlation between EBIT and DI. To optimize the impact of charges on sales and EBIT, a company might utilize its operational leverage, which is its capacity to exploit fixed operating expenditures.

NEED FOR THE STUDY

One relevant metric for comparing the effects of various financial strategies on shareholder income is the EBIT-EPS ratio. In an environment with changeable sales, where the ratio is mostly driven by sales fluctuation, its significance increases significantly. If fixed expenditures remain constant and revenues remain relatively unchanged, a considerable increase in EBIT is feasible. Gains in fixed costs are not constant but may fluctuate, which means that EBIT is more impacted by sales swings from year to year. Earnings per share (EPS) are a way to evaluate a business's performance. One measure of profitability that tracks the change in that value over time is earnings per share (EPS). Earnings per share (EPS) provides a straightforward indicator of a company's financial health.

OBJECTIVES OF THE STUDY

The goal of this study is to determine the relative importance and impact of leverage, profitability, and earnings before interest and taxes (EBIT) on total profitability and earnings per share (EPS). Find out how much leverage the firm has and assess it. Think about how leverage affects earnings per share.

SCOPE OF THE STUDY

In this study, the VISAKHAPATNAM STEEL PLANT (RINL) is the only subject. Several financial performance criteria are taken into account by the study throughout an eight-year period.

METHODOLOGY

THE INFORMATION'S FOUNDATION

the study mostly relied on secondary data sourced from publications such as company annual reports and newspapers such as Enadu and Hindu.

Analytical Instruments for Scientists

Operating, financial, and combined leverage have all been used to assess the company's financial success in the study on leverage. Essential statistical methods and applications, such as those for correlation analysis.

Profit Left over after Deducting All Expenses

the phrase "net operating income" is used by accountants to represent the residual amount after deducting operational costs from sales, whereas the abbreviation EBIT is used by financial experts to define a company's profit before taxes. From a different perspective, it represents the net income of the firm before deducting interest and taxes, which is referred to as EBIT.

Pre-Expense Revenue

a phrase used in accounting for what is officially known as net income or net profit after taxes is earnings after taxes, or EAT for short.

Earnings from Stock Investment

Divide a company's net profit by the number of shares owned by shareholders, and you get earnings per share. The corporation has the option of distributing the funds as dividends, reinvesting them, or doing

both.

The Authority to Operate

Leverage in operations happens when fixed expenses make slight changes in sales have a larger impact on net operating income. In order to understand leverage, one must grasp the idea of fixed costs. A company can't employ operational leverage if it doesn't have fixed spending.

Degree of Operating Leverage
It is defined as the percentage change in earnings before interest and taxes to a given percentage change in sales. DOL depends upon the amount of fixed elements in the cost structure.

$$DOL = \frac{\text{Contribution}}{\text{EBIT}}$$

FINANCIAL LEVERAGE

Changes in EBIT can cause PAT to vary because of the financial limits created by fixed expenditures. A company's financial leverage may be defined as the ratio of its fixed expenses to the total financing sources (debt, preferred stock, owners' shares, etc.).Degree of Financial Leverage. It is defined as the percentage change in EPS due to gain in percentage change in EBIT.

$$DFL = \frac{EBIT}{EBT}$$

COMBINED LEVERAGE

Leverage makes financial and commercial EPS more vulnerable to changes in sales. Shareholder value is very sensitive to changes in sales because of the high degree of operational and financial leverage.

Degree of Combined Leverage

Multiplying the financial leverage by the operational leverage yields the total leverage. Revenue growth or decline as a percentage is one indicator of operational leverage and its effect on operational risk. A measure of financial leverage that affects financial risk is the ratio of earnings per share (EPS) to earnings before interest and taxes (EBIT). A certain degree of risk is inherent in combining the two since then you have full leverage.

$$DCL = DFL \times DOL.$$

LIMITATIONS OF THE STUDY

• Data collected during the last eight years is the only focus of the research, which relies on secondary sources. Conforming to the VISAKHAPATNAM STEEL PLANT (RINL), all computations are based on previously established data. Time constraints prevented us from considering all of the external elements that may have an impact on the leverage. Since it was just six weeks long, the research was somewhat superficial.

PROFILE OF STEEL INDUSTRY

Among steel's many practical applications are in the building and automobile industries. This iron alloy typically contains less than 1% carbon. Bars, sheets, nails, spikes, wire, rods, pipes, and countless more forms are all possible when working with steel, depending on its final use. Some people think that the amount of steel a nation uses is a good measure of how industrialized and developed its economy is. Even though mass-producing steel didn't begin until after 1900, the growth of the industry may be better understood by separating the years before and after independence.

The major steel and related companies in India are:

1. Steel Authority of India Limited, (SAIL), New Delhi
2. Rashtriya Ispat Nigam Limited, (RINL), Visakhapatnam
3. NMDC Limited, Hyderabad
4. MOIL Limited, Nagpur
5. KIOCL Limited, Bangalore
6. Hindustan Steelworks Construction Limited (HSCL), Kolkata
7. MECON Limited, Ranchi
8. MSTC Limited, Kolkata
9. Ferro Scrap Nigam Limited (FSNL), Bhilai, (A subsidiary of MSTC Ltd.)
10. Tate Iron And steel Company.

INDUSTRY SCENARIO:

Present Day International Context

Crude steel output increased 6.2% in 2011 to 1518 MT on a global scale. A study from the World Steel Association states that • In 2011, the United States produced 86.4 MT of crude steel, which was second only to China's 684 MT, followed by Japan's 108 MT, and India's 72.2 MT. Following a 5.6% annual growth in 2011, the World Steel Association predicts that apparent steel usage will rise 3.6% to 1422 Mt in 2012. In 2013, the world's steel consumption is expected to reach 1,486 million metric tons, an increase of around 4.45%. We expect China's apparent steel consumption to rise 4% in 2012 and 4% in 2013. The apparent consumption of steel in India is expected to climb 6.9% in 2012 and 9.4% in 2013. In 2011, the world's final steel consumption was 215 kg, with China accounting for 460 kg. Within the Home: • Rising demand and an improved economy brought the steel sector in India into a new boom period in 2007 and 2008. India is now the world's leading producer of sponge iron (DRI) and the fourth-largest producer of crude steel, thanks to its rapid output growth. According to the report of the Working Group on Steel for the 12th Plan, there are a number of reasons that can lead the country's per capita steel consumption to grow from the present anticipated 55 kg (provisional). On its own, infrastructure is expected to cost more than a trillion dollars. The manufacturing sector is anticipated to see a growth rate of 11–12%, up from its present rate of 8%. Forecasts indicate that by 2030, the urban population will have exploded from 400 million to 600 million. Bharat Nirman, Pradhan Mantri Gram Sadak Yojana, and Rajiv Gandhi Awaas Yojana are assisting in increasing the rural market's use of steel, which is now approximately 10 kg per year. According to the National Steel Policy 2005, the output of steel is projected to reach 110 million metric tons by 2019-2020. The county's crude steel capacity is expected to reach 140 MT by 2016-17, according to the Working Group on Steel for the 12th Plan. If all requirements are met, the capacity might potentially reach 149 MT. The present appraisal is based on the fact that both greenfield and brownfield projects are active. • The National Steel Policy 2005 has been reviewed due to the following: the slow but steady expansion of the Indian economy since its announcement in 2005; and the fast changes occurring within the local steel sector, including both supply and demand.

VISAKHAPATNAM STEEL PLANT

- Introduction
- Origin- History of VSP
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- Vision
- Mission
- Objectives
- Core Values
- Achievements & Awards
- Raw Materials & Sources
- Major Units of VSP
- Production Performance
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- Organization Chart
- Department Chart: Finance(Budget)
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- Recent Trends
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INTRODUCTION

Because of its versatility, steel has found its way into almost all of the products that we use on a daily basis. The handling of tiny objects like pins, needles, nails, and similar objects is one of its several uses. When it comes to building anything, steel is an essential material. The steel industry is crucial; no one can deny that. Every country's economy relies on the iron and steel sector. Because of its ubiquitous nature and extensive use, steel has become the material of choice in several industries in recent times. The steam engine, railway, communication and connection tools, vehicle, airplane, computer, and every other product of human intelligence up to this point are all dependent on steel and its many clever uses. Construction, manufacturing, infrastructure, and consumer goods are just a few of the many economic sectors that rely on steel due to its adaptability and many beneficial characteristics. There are those who believe that a country's steel consumption reflects its degree of industrialization and economic development. After gaining independence, the following integrated steel facilities were established in the public sector with the assistance of international partners, due to the significance of steel:

S. NO.	STEEL PLANT	COLLABORATED BY
1.	DURGAPUR STEEL PLANT	BRITAIN
2.	BHILAI STEEL PLANT	ERSTWHILE USSR
3.	BOKARO STEEL PLANT	ERSTWHILE USSR
4.	ROURKELA STEEL PLANT	GERMANY

Origin and History of the organization:

The decision to establish an Integrated Steel Plant in Visakhapatnam, under the auspices of Steel Authority of India Ltd. (SAIL), was announced by Prime Minister Smt. Indira Gandhi in parliament on April 17, 1970, in response to the increasing demand for steel inside the country. In Visakhapatnam, the area around Balacheruvu Creek was chosen by the Selection Committee. On January 20, 1971, the Prime Minister of India officially launched the project and placed the cornerstone. The Soviet Union's government, according to one witness, M/s. Dastur & Company, extended an offer of technical and commercial cooperation after their evaluation of the idea. Following the signing of a cooperation agreement between the governments of India and the Soviet Union on June 12, 1979, a 3.4 million tons integrated steel factory was scheduled to be constructed in Visakhapatnam. The Indian government was granted 3.4 million Roubles by the Soviet Union to help finance the development of the steel plant. In November 1980, a new report on the VSP idea was produced after the Soviets and the Indian design company worked together to update Dastur Co.'s previous research. We formed as Rashtriya Spat Enigma Ltd. (RINL) to help get projects done quickly. The first stage of the project's construction took four years, while the second stage took six. The project's inception year was 1982. The project ran significantly over budget and behind schedule because funding was not available throughout construction. There was a budget of almost 8,500 crores of rupees for the project. In 1985, the Rationalized concept was put into action with the intention of lowering the capital investment. The closure of a universal beam mill and a steel melting shop might be explained in this way. There was no increase in infrastructure investment required for the second steel melt facility to boost liquid steel output from 2.2 MTPA to 3 MTPA. Unaltered capacity expansions to three Rolling Mills—the Light and Medium Merchant Mill (LMMM), the Medium Merchant and Structural Mill (MMSM), and the Wire Rod Mill (WRM)—further strengthened the project's financial viability. Due to these changes, the project cost was reduced to around ₹.6281 crs. Additional cost escalations occurred during implementation, but the project was ultimately completed at a capital cost of around ₹.8500 crs. Commissioning of the various operating units began in 1989 and continued in a progressive fashion until the project was finished in July 1992. Hon. Sri. P.V. Narasimha Rao, then-Prime Minister of India, dedicated the facility to the country on August 1, 1992. Modern technology, extensive computerization and automation, etc., set this factory apart from others in the nation that processed integrated steel. There was a firm cap of 17,500 employees so that the facility could be run to world-class standards and such high labor efficiency. Three thousand tons of liquid steel and two and a half thousand tons of marketable steel are outputs that the facility can achieve each hour.

REVIEW OF LITERATURE

Debt or equity may be used to fund an organization's investments. Preferred capital is another tool at the company's disposal. The interest paid on debt is a constant proportion of the total, independent of the profitability of the business. Interest payments on the loan are a legally enforceable obligation for the corporation. Preferred dividends are distributed at a regulated pace and are paid out whenever the company makes a profit. The ordinary investors get the residual cash after all expenditures are deducted. To restate, their fair portion is the amount of money that remains after deducting things like interest and turns. The stock dividend rate could change at any time due to the fact that many companies have different dividend policies.

"Financial leverage," "gearing," or "trading on equity" describe a capital structure that uses owner's equity with fixed charge forms of finance like debt and preference capital. "Trading on equity" may mean taking out a loan against the stock of a company or other legal body.

An essential tool for evaluating the effect of potential financial strategies on shareholder income in the setting of unpredictable sales is the EBIT-EPS analysis. A faster improvement in EBIT is possible with steady fixed expenditures and a little change in sales. The fixed expenses of a business could change from one fiscal year to the next. Consequently, when fixed expenditures are substantial, even a little shift in sales might lead to very uncertain EBIT. When sales economic circumstances are excellent, a rise in EBIT leads to a quicker growth in profits per share (EPS), and when sales economic conditions are low, the reverse is true. Using too much leverage also has the added effect of making investors nervous and increasing the danger they face with their money. The profitability of a company may be measured in part by its earnings per share (EPS). Earnings per share (EPS) changes over a certain time period may be easily seen in the statistics. Profits per share (EPS) is a simple way to observe how well a company is doing financially. Equity, debt, or a combination of the two might be the source of funding for any given business. What constitutes a company's capital structure is the mix of stock and debt that it employs to finance its activities. Modern capital structure studies are based on the seminal work of Modigliani and Miller (1958). A firm's worth is unimportant to its financing strategy, according to the MM-I argument, also known as the irrelevance hypothesis, under certain circumstances such as a tax-free environment, a fully competitive market, and unequal access to information. It is irrelevant how the company raises money or distributes dividends. Therefore, the capital structure has no bearing on the company's worth; what matters are the assets. Haddada (1969), Stilglitz (1972), and Hatfield et al. (1994) all came to the same conclusion. According to MM-II thesis (1963), a firm's value is supported by the debt-equity ratio, cost of debt, and required rate of return. The importance of a company's capital structure to its value is acknowledged by this MM-II. A purely debt capital structure is ideal for a firm due to the interest and tax benefits it offers, as MM-II found out. In addition to this, research by Jensen and Meckling (1976) and Titman (1984) supports the notion that a company would face costs associated with agency, financial difficulty, tax shelter, and insolvency if it uses debt to increase its financing. According to the MM-II strategy, a debt-only capital structure is not feasible. In order to maximize the firm's value while reducing the weighted cost of capital (WACC), the ideal capital structure, according to Meyer et al. (2004), is a combination of debt, ordinary equity, and preferred stock. Ai (1997) and Hung et al. (2002) are two examples of the almost unanimous opinions among academics about the importance of capital structure to a company's performance. When looking at pre-tax profits, earnings per share, and dividends per share, the capital structure of most companies had a major impact on their performance (Akintoye, 2008). Financial performance should improve if management of heavily indebted firms abstain from starting initiatives with negative net present values (NPVs), according to Jensen's 1986 results and the free cash flow argument. Supporting the basic prediction of Jensen and Meckling (1976), Margalitis and Psillaki (2009) discovered a positive correlation between stock ownership, capital structure, and firm performance. Companies with a lot of debt have lower profits and slower sales growth compared to average companies in the same sector, according to research by Ramachandran et al. (2008). Using data from across the board, Eriotis & et al. (2002) shown that debt significantly reduces profitability.

DATA ANALYSIS AND INTERPRETATION

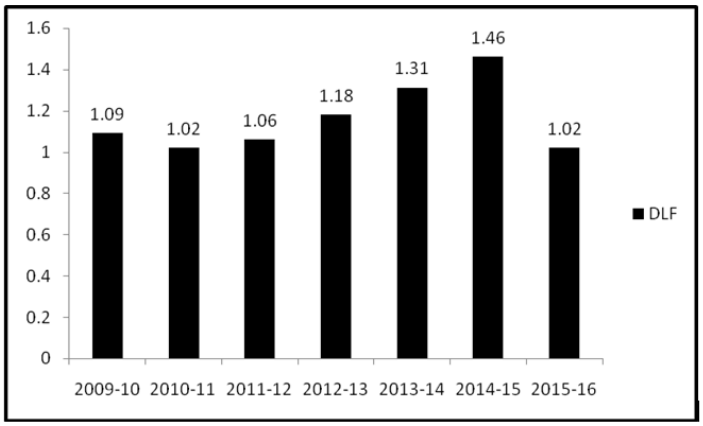
DEGREE OF FINANCIAL LEVERAGES:

A measure of financial leverage is the change in profits per share (EPS) relative to changes in earnings before interest and taxes (EBIT).

$$\text{DEGREE OF FINANCIAL LEVEREGE} = \frac{\text{EBIT}}{\text{EBT}}$$

(In crores)

YEAR	EBIT	INTEREST	EBT	DLF
2016-17	67.15	5.96	61.19	1.09
2017-18	226.28	6.09	220.19	1.02
2018-19	121.06	7.30	113.79	1.06
2019-20	75.26	11.88	63.38	1.18
2020-21	65.34	15.58	49.76	1.31
2021-22	303.81	13.55	290.26	1.46
2022-23	29.55	0.75	28.20	1.02



INTERPRETATION:

Interest rate fluctuations over the study period caused financial leverage to fluctuate, as seen in the table above. Interest rates rose and then fell between 2016 and 2023. A high DFL of 1.46 was the result of a high EBT in 2014, which was caused by an increase in EBIT and a drop in interest. Despite a converging increase in EBIT and EBT in 2021-22, the DFL dropped to a record low of 1.02 times over the study period.

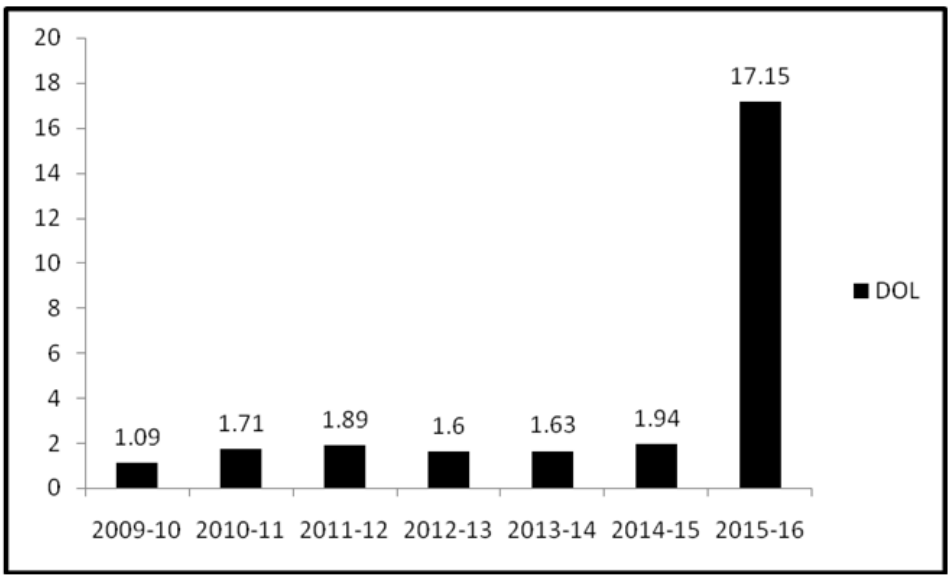
DEGREE OF OPERATING LEVERAGES:

The term "operational leverage" describes the degree to which changes in sales affect operating income (EBIT).The degree of freedom (DOL) of a cost structure grows in direct correlation with the quantity of fixed components.

DEGREE OF OPERATING LEVERAGES $= \frac{\text{CONTRIBUTION}}{\text{EBIT}}$

(In cores)

YEAR	CONTRIBUTION	EBIT	DOL
2016-17	73.57	67.15	1.09
2017-18	386.16	226.28	1.71
2018-19	228.91	121.06	1.89
2019-20	121.11	75.26	1.60
2020-21	106.64	65.34	1.63
2021-22	592.41	303.81	1.94
2022-23	506.91	29.55	17.15



INTERPRETAION:

Variations in the DOL during the study period were driven by changes in the company's contribution and EBIT, as shown in the data table above. In 2022–23, operational expenditures went up, leading to a contribution of 506.91Crs and an EBIT of 29.55Crs. Consequently, DOL had a 17.15% growth throughout that year. Low sales and a DOL of 1.09 times were the results of the company's ineffective contribution and EBIT in 2016–17. For every 1% change in sales, EBIT will fluctuate by 1.09%.

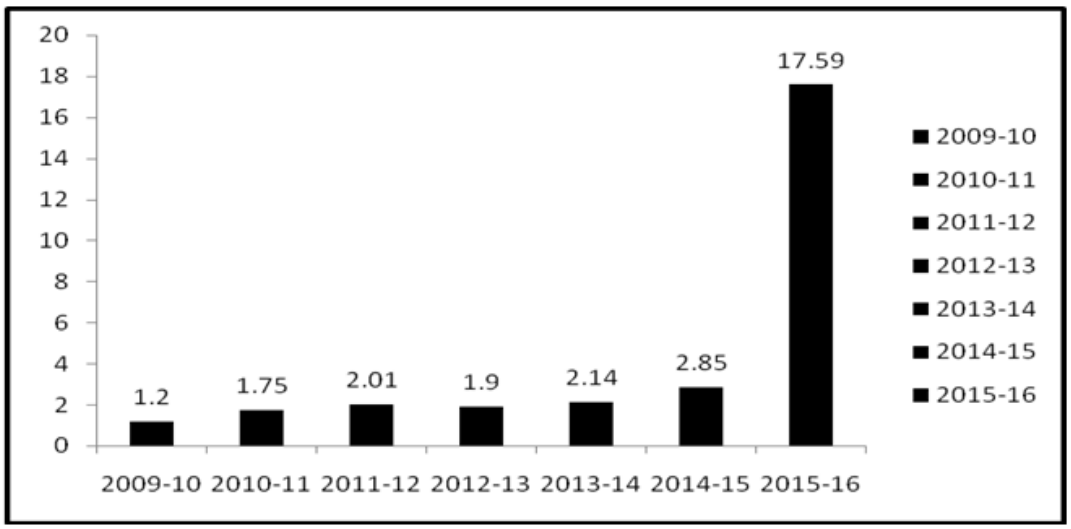
DEGREE OF COMBINED LEVERAGES:

The Leverage is simply expressed financial leverage multiply operating profit leverage. The operating leverage has its on operating risk and is measured by percentage of change in sales. The financial leverages has its effects financial risk and measured by the percentage change in EPS due to the EBIT. IF both the combined the results is total leverages and risk associated with combined leverage is know as total risk.

DEGREE OF COMBINED LEVERAGES= DLF X DOL

(In crores)

YEAR	DFL	DOL	DCL
2016-17	1.09	1.09	1.20
2017-18	1.02	1.71	1.75
2018-19	1.06	1.89	2.01
2019-20	1.18	1.60	1.90
2020-21	1.31	1.63	2.14
2021-22	1.46	1.94	2.85
2022-23	1.02	17.15	17.59

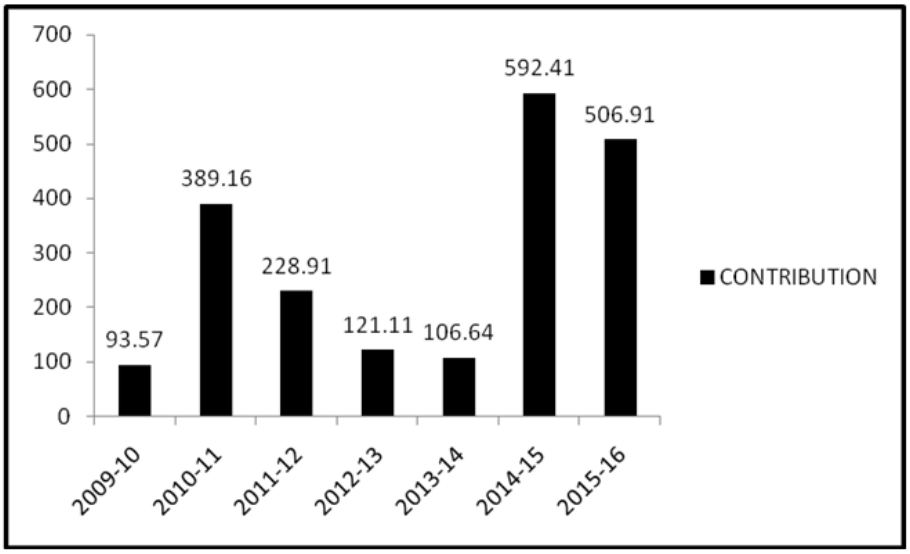


INTERPRETATION:

There is a striking lack of DCL values (1.20, 1.75, 2.01, 1.75, 2.14, 2.85 times) and DLF&DOL values (extremely low) from 2016 to 2023, as seen in the table.In 2022–23, the DCL remained high at 17.59 despite the low DFL. This was because the DOL climbed to 17.15 times, driven by increased sales and EBIT.

CONTRIBUTION DEGREE OF OPERATING LEVERAGES:

YEAR	FIXEDCOST	PROFIT	CONTRIBUTION
2016-17	6.42	67.15	93.57
2017-18	162.88	226.28	389.16
2018-19	107.85	121.06	228.91
2019-20	45.89	75.26	121.11
2020-21	41.31	65.34	106.64
2021-22	288.6	303.81	592.41
2022-23	477.36	29.55	506.91

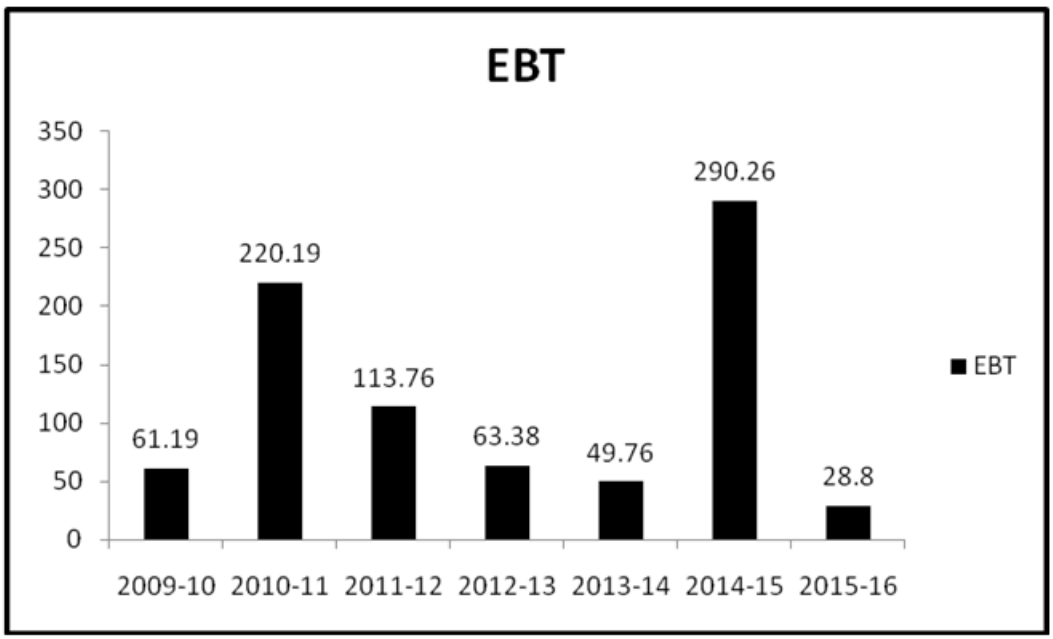


INTERPRETATION:

Operating profits were volatile and fixed costs were on the rise during the research period.

CALUCALATION OF CONTRIBUTION DFL:

YEAR	INTREST	PROFIT	EBT
2016-17	5.96	67.15	61.19
2017-18	6.09	226.28	220.19
2018-19	7.30	121.06	113.76
2019-20	11.88	75.26	63.38
2020-21	15.58	65.34	49.76
2021-22	13.55	303.81	290.26
2022-23	0.75	29.55	28.80



INTERPRERTATION:

The reduction in interest rates over the study period had a negative impact on the company's EBIT.

Calculation of coefficient of correlation between DCL and EPS

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CORRELATIONS
  /VARIABLES=DCL EPS
   /PRINT=TWOTAIL SIG
  /MISSING=PAIRWISE.
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Correlations

[DataSet0]

Correlations

		DCL	EPS
DCL	Pearson Correlation	1	-.108
	Sig. (2-tailed)		.817
	N	7	7
EPS	Pearson Correlation	-.108	1
	Sig. (2-tailed)	.817	
	N	7	7

INTERPRETAION:

A correlation coefficient of -0.108 and a p-value greater than 0.05 indicate that the association between DCL and EPS is weak and not statistically significant.

FINDINGS

• Both fixed costs and EBIT changed during the research, with EBIT becoming an increasingly important factor as the study came to a close. As the research progressed, the EBIT stayed rather high. This is not a result of interest rate hikes but rather of increases to EBT. Specifically, we calculated the financial leverage level for 2021–2023. This is because, over that time period, EBIT had more increase than PBT. • From 2009 to 2016, operational leverage was little. This is so because contribution exceeds EBIT. • From 2016 to 2023, the combined leverage was very low due to the relatively low levels of financial and operational leverage. • During the study period, there was no change to the number of outstanding shares, although earnings per share (EPS) and profit after tax (PAT) both climbed. • It is difficult to distinguish between DFL and EPS due to the tiny correlation coefficient between the two variables. The negative association between DOL and EPS is not statistically significant, but it is there. There is a negative relationship between DCL and EPS and almost no correlation between the two.

SUGGESTIONS

A company's ability to employ financial leverage is directly related to its level of profitability. Equity investors may improve their profits by increasing financial leverage. • There was limited operational

leverage. Therefore, if you want to make the company more efficient, you should aim to increase the operational leverage. • DCL takes the company's total revenue into serious consideration. A lower DCL was used as the investigation progressed. Increasing DCL's value may be possible by careful fiscal management, such as keeping a good balance between high financial and low operational leverage. Earnings per share (EPS) is a fantastic indicator of a business's financial well-being. There was a clear upward trend throughout the research period. Keeping this plan in place can help you win over shareholders. Earnings before interest and taxes (EBIT) fluctuate according on sales revenue. Therefore, if you want to boost operational efficiency, try to boost sales revenue and, by implication, EBIT.

CONCLUSION

The results showed that the company's operational and financial leverage had decreased. The overall amount of leverage was lowered as a byproduct of that action. The final suggestion in the study is that the business should reevaluate its optimal capital structure and capacity usage in order to increase future profits.

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PROJECT MANAGEMENT &
CONTROL AND REVIEW: Prof. PARASANNA CHANDRA

WEBSITES:

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