

INTRODUCTION

Business is the institutional means employed by a modern society to improve its own economic well being. In order to achieve business success, finance has to be managed well to generate more and more profit. No matter the business is big or small, government, semi-government or non-government, profit or nonprofit, finance function is important to one and all.

All the facts and figures relating to the financial activities of any business enterprise find their place in the '*Financial Statements*'. Financial statements compose of two statements – 1) Balance sheet or a Statement of financial position reflecting the assets and liabilities and capital as on a particular date 2) Income statements or profit or loss statements showing the results achieved during a certain period, prepared at the end of the accounting year of a business enterprise.

Analysis of this financial statement is of great importance to the people related to the concern externally as well as internally. Analysis determines the significance and meaning of the financial statements data, so that a forecast may be made of the prospects for future earning, ability to pay interest, debt maturity – both long term as well as short term and to know its profitability. Analysis of the financial position of the small sector units is of paramount importance, especially in a planned economy like India, where small scale industries contribute to the economy with its advantages of low investment, big potential for employment generation, diversification of the Industrial base and dispersal of industries to rural and semi-urban areas.

Small Scale Industries have played a significant role in the economic development of industrially advanced countries. In a country like India where there is a dearth of capital and excess of man power, there can be no other ideal way of achieving economic development but through promotion of small scale units. Before 1947, India had no industrial base and even sewing needles used to be imported. However since 1947, the scenario has changed and now a

days highly sophisticated electronic and engineering goods are being manufactured within the country for domestic use and export to the other countries. A major contribution has been endowed by the small scale industries in this direction.

This research is an attempt to study and analyse the financial position of a small scale unit in Kolhapur named as 'Unique Industries' for a period of five years from 1997 to 2001. M/s. Unique Industries is a proprietary concern owned by Mrs. Jyoti Prakash Nikam. The concern's operation and administration are managed by Prakash W. Nikam, Vikram P. Nikam, husband and son of Jyoti Nikam respectively.

This concern came into existence, in the year 1992. The industry manufactures foundry moulding chemicals (coating, adhesives and baking oils) for cast iron and steel manufacturing foundries. It has also diversified its business by manufacturing of adhesives for corrugated box manufacturing units since 1996. This manufacturing unit has its factory located in MIDC Shirol, Kolhapur, has an area of 12500 sq.ft. with a built up of 6500 sq.ft. It received a temporary registration of small scale industries in the year 1992 with a subsequent permanent registration in the year 1996.

Raw material required by the unit are availed from Pune, Mumbai, Salem, Belgaum, Sangli etc. It has 9 working people composed of 5 skilled labours, 2 supervisors and 2 work as clerical staff. The concern's finance is mainly composed of personal funds, finance from '*Kolhapur Janata Sahakari Bank Ltd.*' while finance companies like Tata Finance, Apple Financing, Kotak Mahindra Finance, Bajaj Finance etc. provide finance mainly for vehicles, assets and other appliances.

Unique Industries has performed consistently good enough in terms of turnover. It makes a turn over of 35 to 45 lakhs by keeping the limits of small scale industries.

STATEMENT OF THE PROBLEM

The present study is of a diagnostic nature towards the financial position as depicted by the small scale unit named ' *Unique Industries*' . It is an attempt to pinpoint the strengths and weaknesses of the concern by regrouping and analysis of figures contained in financial statements through Ratio Analysis Technique. It is an attempt made to measure the changes in the concern's financial position to understand its financial viability.

OBJECTIVES

- 1) Profile of Unique Industries with special emphasis on financial management.
- 2) To study the financial data available in a compiled form of Unique Industries, regarding the finance available and finance utilised by it.
- 3) To select suitable financial ratios in order to measure and evaluate various aspects of financial management.
- 4) Computation and interpretation of the financial ratios over a period of years with the significant trends, indicating rise decline or stability as highlighted.
- 5) To understand the financial position and offer suggestion to solve its problems in a way of their progress, if any.

SCOPE

The scope of the study covers only the financial analysis of Unique Industries through ratio analysis technique. The analysis will be carried out through calculation of different ratios of the financial data available for its two products manufactured for a period of five years from 1997 to 2001.

DATA COLLECTION AND PROCESSING

The study will be based on the secondary data which will be available through annual accounting maintained by the concern for the said period and any kind of published and unpublished literature relating to the concern. Other information not available through the annual account will be collected through observation and personal interviews with the persons involved with the concern's working.

CHAPTER SCHEME

There are six chapters in this subject.

- Chapter I - Unique Industries – (A Profile)
 - Chapter II - Theoretical framework of financial analysis.
 - Chapter III - Analysis and interpretation of liquidity and solvency through ratio analysis.
 - Chapter IV - Analysis and interpretation of profitability through ratio analysis.
 - Chapter V - Analysis and interpretation of turnover through ratio analysis
 - Chapter VI - Conclusion and suggestions.
-

CHAPTER – I **UNIQUE INDUSTRIES (PROFILE)**

This research project is an attempt to analyse the financial position of Unique Industries through Ratio Analysis. Unique Industry is a small scale industry involved in manufacturing activities. We will consider some of the aspects relating to Small Scale Industry to have a better view of Unique Industries which itself is a small scale unit.

This Chapter is divided into two parts viz.

- I - Small Scale Industries – an overview
- II - Unique Industries (A Profile)

I-1

Introduction - One of the basic aims of development planning is to reduce spatial or regional imbalances in the economic development of a country by accelerating growth at a faster rate in the backward region. In this context, industrialisation has a significant role to play, because it secures faster economic growth compared to agriculture.

Small Scale Industrial sectors is definitely an important wheel of the vehicle for industrialisation besides large scale industries. Development of both sectors is equally important to bring about a radical transformation in the economic structure of a country. The conflict between two sectors disappears, once we recognize their distinct spheres of operation and adopt appropriate policies for their development.

In a labour abundant, capital scarce country like ours, wedded to the twin objective of growth. A social justice, small scale industry naturally plays a vital role in resolving chronic problems of poverty, inequality, underemployment and unemployment.

I.2

Meaning & Definition – It is difficult to visualise how a modern economy could function without a small scale sector. The big companies and nationalised industries are obviously vital, but they have rigid and inflexible

structure compared to the mass of small companies is a constantly changing pattern of growth and sometimes decline. The large companies would not be able to cope with the demand for a plethora of parts, sub assemblies and components which the small manufacturers are able to provide at low cost. The big companies are like the tip of an ice berg – they would not be there but for the enormous and largely invisible mass which supplies it.

Large Scale Industries and Small Scale Industries are poles apart as per their meaning and operation and importance goes. However, both of them are mutually dependent on each other.

Table No. [1.A] Features of Small & Large Scale Industry.

	Small	Large
1) Investment in Plant and machinery	1 Crore (According to 1999)	More than 5 crores
2) Employment	Less than 100	Above 500
3) Production	Small	Large
4) Technology	Low	High
5) Organisation	Mostly proprietary/ Partnership	Mostly Public Limited
6) Profits	Good	Huge

Source - Management of a small scale Industry by Dr. Vasant Desai.

The Small Scale Industries support the development of large industries by meeting their requirements of inputs of raw material, intermediate goods, spare parts etc. by utilising their output for further production. The productivity and capacity utilisation of large units depends to some extent upon the fulfillment of their specialised requirement by small scale units.

In the view of their contribution to income, production and employment, it is appropriate to know the concept of Small Scale Industries, S.S.I. are those which operate with modest investment in fixed capital with relatively small work force and which produce a relatively small volume of output of

goods and services. S.S.I. are however defined and redefined several times after independence.

For the first time, they were defined in the year 1955 by S.S.I. Board which was set up by the Government in the year 1954-55.

1) The Board at its first meeting defined Small Scale Unit as " a unit employing less than 50 persons if using power and less than 100 persons. without use of power, with capital assets not exceeding Rs. 5 lacs."

The definition above was modified further with the tempo of development.

2) In 1960, it was stipulated that - " Small Scale Industries will include all those industrial units with capital investment of not more than 5 lacs in fixed assets, such as land and building, machinery and equipment , irrespective of the nos. of persons employed ".

A new concept of ancillary industries came into being in the year 1960, which is engaged or is proposed to be engaged in the manufacture of parts, components, sub assemblies, tooling or the rendering of services to other units. The capital investment limit in these industries was released upto 10 lacs.

Also subsequently in 1966 , on the recommendation of Federation of Association of Small Industries of India (FASII) an apex level organisation of Small Scale Industries, set up under the aegis of the Ford Foundation Team only the investment in fixed assets in plant and machinery, whether held in ownership terms or lease and by hire purchase instead of fixing the limit on overall investment, was considered from granting the status a Small Scale Unit.

With an aim for effective promotion of cottage and small industries, widely dispersed in rural areas and small towns a new sector – tiny sector was created in the year 1977. All industries with a capital investment of 2 lacs in plant and machinery and located in rural areas and small towns are included in tiny sector.

The definition thus of Small Scale Industries was revised at various stages with the changes in the amount invested in capital assets further. Recently the investment is reduced to 60 lakhs in Plant and Machinery.

Table I.B
Changing definitions of Small Scale Industries

Year	Capital Investment	Remark
1950	Capital Assets not exceeding Rs.5 lakhs	Employment less than 50 workers per day (with use of power) or less than 100 workers per day (without use of power)
1958	Capital investment not less than 5 lakhs.	Same as above, except that the per day employment criteria was replaced by a per shift provision.
1959	In capital investment, Value of machinery to be taken at original price paid, irrespective of it being new or old.	—
1960	Gross value of fixed assets upto Rs.5. lakhs	Employment condition was dropped. Introduction of ancillary industries.
1966	Investment in original value of plant and machinery only upto Rs.7.5 lakhs.	Investment considered in value of Plant and Machinery only.
1975	Investment in plant and machinery upto Rs. 10 lakhs.	—
1977	Same as above	Introduction of tiny sector both capital investment upto 1 lakhs.
1980	Upto Rs. 20 lakhs	—
1985	Upto Rs.35 lakhs	—
1991	Upto Rs.60 lakhs	—
1997	Upto Rs. 300 lakhs	—
1999	Upto Rs.100 Lakhs	—

Source – Management of Small Scale Industry by Dr. Vasant Desai.

I.3

Features - Above definitions stated, will help us know the concept of S.S.I. more elaborately with the following features below –

- 1) Capital invested is small.
- 2) Most have fewer than 10 workers
- 3) They are generally engaged in the production of light consumer goods processing etc.
- 4) Virtually most of the firms are privately owned and are organised as sole proprietorship.
- 5) Most of the funds come from entrepreneurs savings.
- 6) They do not require high level of technology.
- 7) Invariably the organisation and management are very poor and negligible in many cases.
- 8) Also, financial discipline is very weak and rules and regulations are not very properly adhered to.

I.4

Rules and Regulations - The basic objectives of rules and regulations governing small scale industries is to ensure that the results of operations confirm as closely as possible to established standards of goods specified procedures or

Right from the beginning a small scale industry is regulated and governed by various regulations like –

- 1) The Industrial Development Regulation Act.
- 2) Factory Act, 1948.
- 3) Income Tax Act,
- 4) The Indian Trade Union Act, 1928.
- 5) The Payment of Wages Act, 1936.
- 6) The Industrial Dispute Act, 1947 etc.

These regulations ensure steady and rapid growth of small scale industries. They are the directions for excellence growth and development. In their own interest, all existing small scale units are intending entrepreneurs

employing less than 10 workers should get themselves registered with the Director of Industries in their States. It will be helpful to the Small Scale units in obtaining financial assistance from the Government and for obtaining machinery on hire-purchase from the National Small Industries Corporation.

1.5

Production - Production is one of the important functions of S.S.I. The small scale sector has produced a wide variety of well over 7500 products. Beginning with the production of simple consumer goods, the small sector has branched out to some of the highly precision – oriented end products. It is today a major supplier of mass consumption items like leather and leather goods, plastic, readymade garments, stationery items, soap, domestic utensils, paint, varnishes etc. Also it has a big share in sophisticated items like T. V. Sets, microwave, components, optical lenses, electric motors, drug and pharmaceuticals etc. This sector thus accounts for almost 40 percent of total production of the manufacturing sector and 35 percent of the total exports. However S.S.I. face various problems in procuring quality raw materials. The quality of product manufactured by them is not upto desired standards. Several reasons account for this, like the S. S.I. unit lack the technical sophistication to make high quality products. For many industries there are no standard for quality control or no quality control systems are there among many S.S.I. Units.

1.6

Financial Managements - Finance is a key input of production, distribution and development. A growing economy needs the support of a financial structure which is responsive to the needs of development.

Depending upon the nature of the activity, the entrepreneurs require three type of finances viz. Short Term, Medium Term and Long Term.

A Small Scale Industrial Unit requires funds before it can come into being and it needs them for expansion, modernisation and working capital.

Personal funds of entrepreneurs form a substantial proportion of their total assets. It requires long term finance to acquire fixed assets and short term working capital for the purchase of raw material, payment of wages etc.

Long term financial needs are generally met by Govt. and Development Banks; Short term finance is provided by commercial banks.

Working capital management is an integral part of overall management of small scale industries. The working capital requirements of Small Scale Industries vary from one unit to another. The sources that usually provide working capital requirements are commercial banks, special agencies like stall industrial and investment Camp of Maharashtra. Industrial Investment camp and Co-op. Bank etc. Indigenous bankers and also advance loans for working capital needs.

For proper working capital management, proper co-ordination between small scale industries and financial institutions is required. Towards this direction the Small Industrial Development Bank of India is shaped to provide a strong support to Small Scale Industries.

Thus the success of S.S.I. depends on a large extent on well established Institutional set up. There is a wide network of institutional infrastructure of financing and extension service support to S.S.I. in the country. SIDBI has been set up as the principal financial Institution for promoting and financing of Small Scale Sector.

Thus financial management is an integral part of industry and ranks equally in importance with other key components like production and marketing.

1.7

Significance - The rationale for development and support for Small Industries may be obtained as follows –

- (1) They are labour intensive and hence their employment creation potential per unit of investment is highly than that of large industries.
- (2) They are more broad based and dispersed than large industrial units.

- (3) They facilitate the creation of a wide entrepreneurial base, consisting of small industrial owners and operators.
- (4) They are effective means of mobilising small savings, scarce capital, local materials and human resources and skills.
- (5) Their capital resources are modest and are more suitable for capital scarce countries like India.
- (6) They support the development of large industries by meeting their requirement of raw materials intermediate goods, spare parts etc.

I.8

Problems - However the S.S.I. are not of problems, they face various difficulties like shortage of raw material, lack of machinery, technical assistance, paucity of required finance and competition from imported articles and large scale units.

I.9

Relief Measure by Govt. - On account of the problems faced by SSI Units and for their speedy development, various steps have been taken by the Govt. to boost and strengthen small scale industries. Some of important policy measures of Govt. are –

- (1) The significance of SSI units and Cottage Industries for overall economic development has been undivided clearly in all the industrial policy resolutions and statements right from 1948.
- (2) A no. of institutions have been established by the Govt. to promote and co-ordinate the development of small and village industries. e.g. Industries Development Corporation (SIDC), National Small Industrial Corp. Directories and Development Corp. etc.
- (3) They are exempted from obtaining industrial licenses for manufacturing a wide range of items.
- (4) Exclusive reservations of items for production in S. S. Sector.
- (5) Established Industrial Estates with built factory sheds and

- (6) Long term and short term financial assistance for small and village industries by specialised financial institutions, Public sector banks, and other scheduled banks at concessional rates of interest.
- (7) A wide range of fiscal and other concessional measures etc.

I.10

Conclusion - Small Scale Industry is an important vehicle of development as it provides immediate large scale employment, have a comparatively higher labour capital ratio – they need a short – gestation period and relatively small markets to be economic, they need lower investments, affix a method of ensuring a more equal distribution of national income and enable effective utilisation of resources and stimulate the growth of entrepreneurship as well. They play a useful role in regional development by mobilising resources which may remain largely unutilised or underutilised. In fact these units serve an integral element in the socio-economic structure at all stages of economic development. SSI are small in name but the benefits that can be derived from them are by no means small.

.....

UNIQUE INDUSTRIES

II.1

Introduction - Unique Industries is a small scale unit which is located in M.I.D.C. area of Shirol, Kolhapur. It has been in existence since 1992. This industry is into manufacturing of foundry moulding chemicals for cast iron and steel manufacturing foundries and manufacturing of adhesives for corrugated base manufacturing units. It is a proprietary concern owned by Mrs. Jyoti Nikam, who is assisted by her husband and son. Prakash W. Nikam and Vikram P. Nikam respectively.

II.2

Historical development - Foundry industries in Kolhapur and Belgaum districts flourished in the late 80's. Foundries engaged in the cast iron and steel manufacturing required an effective temperature resistant coating for their metal castes, especially to maintain their quality.

FOSECO, then was a major and big industry in this sector, producing the required kind of coats for the metal castes. It was a multinational company situated in Poona. Getting the coatings were difficult for the local foundries of Kolhapur and nearby districts from Poona for its high prices. It increased the cost of production of these foundries.

This need of time and local market was properly utilised which led to the establishment of Unique Industries.

II.3

Establishment & initial steps of formation - To begin with, the proprietor purchased a plot in MIDC area, in Shirol, for the factory. The area purchased was of 12500 sq.ft. A technically sound person in the said product was then hired as a Consultant to develop the product. Machines and equipment required were purchased as per the designs and requirement for manufacturing purpose and production was started in 1992.

II.4

Production - In cast iron and steel manufacturing foundries, molten metal is poured into the required Moulds, so as to get a metal cast of desired shape and size. These Moulds are made up of sand and raisins. During the process of metal pouring in the cast the temperature goes very high, it can go as high as to the extent of [1200 to 1500° c.] in cast iron industries and to a high as [2500 ° c to 2700° c] in steel manufacturing industries. Due to this high temperature the poured metal may penetrate into their sand moulds, which may lead to breakage of mould, resulting in broken moulds or improper shapes of castes. So this penetration is to be avoided. This penetration can be avoided by painting the moulds with temperature resistant coatings before the metals are poured in. This coating is temperature resistant that avoid temperature hike, thereby avoiding the breakage of moulds.

These paints are the components of Unique Industries manufacturing which are in the form of Zircon paint or Graphite paint.

Zircon paint is used for Zircon based mould coatings for steel industry. Zircon withstands high temperature due to it's refractory value to an extent of 3000° c . So it is used in steel industry, where the temperature rise may be to the extent of 2500 ° c to 3000 ° c during metal pouring, thereby avoiding mould breakage.

Similarly graphite withstands high temperature to an extent of 1700° c which can then be used as a cast in cast iron mould, where temperature hike may be to 1500 ° c.

Further it also manufactures car oil for strengthening the car strength as well. As other industries started rising in this sector, Unique Industries to maintain it's profitability, diversified into manufacturing of adhesives for corrugated box manufacturing units since 1996.

The products of SSI is thus composed of coatings, adhesives and baking oils. The raw material requirement of the industry are satisfied from Pune, Mumbai, Solapur, Belgaum, Sangli etc.

II.5

Employees - Unique Industries carry out its operations with help of nine working people. Of these nine employees, five are skilled labours, who are engaged in production function of this industry. There are two supervisors over these employees. Supervisors take care of the employees completely. i.e. they look after their payment of wages, their regular and timely attendance, their work efficiency, working conditions etc. Other two comprise of clerical staff, who look after all the accounting, maintaining books and records of transactions concerned in the business. All the billing matters like payment of water bills, electricity expenses, income tax returns, banking transactions etc. are looked at by other clerical staff.

As per the financial statements, wages and salaries occupy an important percentage of total expenses. They are paid regularly. Promotion of labour welfare is an important aspect for improving their efficiency. So Unique Industries also make a provision for this welfare. Unique Industries have incurred expenses on labour welfare every year on a consistent basis.

The mentioned industry has not faced any major labour problem from its initiation and for the period under study as well.

II.6

Sale - As mentioned above, foundries are the customers of its main products of coatings and car oil and certain packaging industries for its adhesives. Some of its foundry customers are Marvelous Metals, Gokul Shirgaon, Kolhapur, Sanjay Foundries, Ichalkaranji, Mayura Steel, Kolhapur, Yashwant Industries, Udyamnagar, Kolhapur and its Packaging Industries. Customers are like Trimurti processing Industries Sangli, Padma Paper Products, Gokul Shirgaon, Kolhapur, Perfect Packaging Belgaum etc.

II.7

Financial Management in Unique - Financial Management is the responsibility of obtaining and effectively utilising the funds necessary for the

efficient operation of an enterprise. For effective financial management these things are essential viz. a) Liquidity b) Safety and c) Yield.

A) The funds utilised by Unique Industries are mainly composed of owner's funds profits invested long term loans and short term borrowings.

i) Owners funds –

Owner's funds include not only the initial contributions by the owners, but also the subsequent additions made in the form of profit investment in business. They indicate internal claims of the proprietors against the firm.

The use of profits as a source of finance is considered as an important sources of finance, mainly because of it's easy availability, without any delay, uncertainty and free from interest payments and no security pledging obligations. The profit re-investment is seen in case of Unique Industries.

However as seen from the table projection below owners funds on an average for the steady period is only 5 %. They are heavily dependent on external borrowings. Increase in profits may reduce their dependency on external borrowings to internal funds thereby strengthening it's solvency position.

ii) Long term loans –

The long term loans cover a wide period of 10 to 20 years and more for its repayment. Long term loans as seen through table is composed of a total percent of 9.2 % on an average for the fire year steady period. It is considerably more than owner's funds showing an unfavourable Debt Equity ratio of Unique Industries. Long term loans are utilised for acquiring fixed assets in the form of Motor car, tempo from finance companies of Kotak Mahindra.

3. Short term loans –

For small units, which have limited access to the capital market and poor capacity to raise long term funds from outside resources, the importance of short term finance is still greater.

This can be clearly seen in the case of Unique Industries whose short term finances comprise of a total of 86% of it's total funds. The short term borrowings are due for repayment within one year of it's borrowings.

The amount and comparison of short term finance is important, not only because it provides the required support to the firm current assets, but also because it complements liquidity and operating needs of an Enterprise. Short term finance in Unique Industries are not only used to meet temporary working capital requirements, but also to finance it's permanent portion of working capital.

As seen from the financial statements of Unique Industries, short term borrowings comprise of trade credit and bank borrowing in the form of cash credit. The amount of cash credit is about 75% on an average of the total short term borrowing of Unique which is very large.

However the high amount of cash credit in Unique threatens its liquid position, bringing down it's current ratio. It may create further borrowing problems to Unique Industries as well. The Unique Industries should try to reduce its cash credit, by bringing down it's amount of accumulated inventory and debtors balance.

Table II.A

Composition of Unique Industries Funds as from 1997 to 2001.

Sr. No	Year	Long Term borrowings	Short term borrowings	Owners funds including profits	Total Rs.
1	1997 (Percent of total funds)	422519 18%	1795050 75%	185418 7%	2402990
2	1998 (Percent of total funds)	234721 9%	2182516 86%	125116 5%	2542353
3	1999 (Percent of total funds)	280160 9%	2182516 86%	181607 6%	3216946

4	2000 (Percent of total funds)	146429 4%	3555412 90%	225825 6%	3927666
5	2001 (Percent of total funds)	245766 6%	3583601 93%	46543 1%	3875910
	Average	9%	86%	5%	

Source - Financial Statements of Unique Industries.

B) Utilisation of funds –

Primary objective of any business is to earn reasonable rate of profit on capital invested. This requires not only mobilisation of resources at a minimum cost, but also proper allocation and effective use of resources thus mobilised.

A typical SSI generally uses its resources in the fixed assets, current assets and other assets like investments. However, the relative importance of fixed assets and current assets vary from industry to industry.

The resources of Unique Industries are seen allocated in a) fixed assets b) current assets and c) investments and deposits.

Of the total investment in assets, current assets take on a major share of 62% on an average, with fixed assets of 26% and investments and deposits at 12% an average for a 5 year period of steady ranging from 97 to 2001 as depicted in table below.

Other thing being equal, higher current asset to fixed assets indicate conservative current assets policy and conversely a low ratio of current asset policy and conversely a low ratio of current asset to fixed assets means progressive current asset policy. A conservative policy implies greater liquidity, but low risk and poor return. An aggressive policy involves high risk and return but poor liquidity. As depicted by asset composition table, Unique Industries observe

conservative policy as its current asset investment is the highest of total assets.

As per its nature and size of industry the portion of current assets is far more than required in the form of debtors and inventory, which though may impact its liquidity, but unnecessarily reduces its returns that it could earn by investing it in some other profitable avenues.

Being a small scale unit, its fixed asset requirement is less which is mainly satisfied through proprietor's funds, profits earned re-invested and long term loans, current assets are taken care by short term borrowings.

Table II.B

Showing the distribution of Unique Industry's funds in various assets

Sr. No	Year	Fixed Assets	Current Assets	Other Assets	Total
1	1997 (Percentage of total assets)	6,69,697 28%	15,42,545 64%	1,90,747 8%	24,02,990
2	1998 (Percentage of total assets)	6,63,918 26%	15,65,187 62%	3,13,247 12%	25,42,353
3	1999 (Percentage of total assets)	9,09,959 28%	19,88,739 62%	3,18,247 10%	32,16,946
4	2000 (Percentage of total assets)	9,09,959 27%	25,94,753 66%	4,22,953 11%	39,27,666
5	2001 (Percentage of total assets)	10,51,597 27%	22,59,244 58%	5,65,069 15%	38,75,910
	Average	26%	62%	12%	

Source - Financial Statement of Unique Industries.

II.8

Conclusion – Unique Industries is thus a small scale concern operation in manufacturing of adhesives and coating for foundry industries. When it started off there were very few industries in this sector in whole India. This helped this industry to earn huge profits. However since 1996, various new industries started propping up in this sector, creating a severe competition for the Unique Industries. Also the price for material required for the product increased.

All these things did create problems for Unique industries.

However it undertook various measures as per the need of time to combat it's problems and has survived.
