

FINANCIAL PERFORMANCE ANALYSIS FOR MANUFACTURING SECTORS. A CASE STUDY ON INDO SPANISH TASTY FOOD PRIVATE LIMITED KUNIGAL

Dr. Prathap B. N¹, Vijayalakshmi S²

¹Associate Professor, Department of MBA, Shridevi Institute of Engineering and Technology , Tumkur , Karnataka , India.

prathap.bn@gmail.com

²2nd year MBA Student, Department of MBA , Shridevi Institute of Engineering and Technology , Tumkur , Karnataka, India.

vijayalakshmisvi38@gmail.com

ABSTRACT

Monetary execution investigation includes assessing an organization's financial assets and weaknesses through a efficient investigation of the associations between accounting report parts and pay articulations. In this explicit examination, the attention is on surveying the liquidity and benefit of Indo Spanish Delectable Food Confidential Restricted. The degree envelops a far reaching four-year assessment of the organization's monetary execution, joined by proposals for likely upgrade. Catchphrases: Indo Spanish Scrumptious Food Private Restricted, examination of monetary execution, appraisal of liquidity, assessment of benefit.

1. INTRODUCTION

Finance fills in as the logical discipline zeroed in on the administration of cash. Fundamentally, it relates to the capable organization of assets and the most common way of obtaining essential assets. The domain of money too incorporates the coordination, oversight, and assessment of cash, ventures, credit, resources, and liabilities that on the whole comprise monetary frameworks. Utilized to recognize an element's liquidity, dissolvability, strength, or productivity, monetary examination includes a complete examination. Inside this degree, financial execution examination involves the investigation and understanding of fiscal reports in a way that causes a far reaching assessment of the business' productivity and monetary. The essential target of such investigation is to discover the viability and ability of a company's administration.

2. LITERATURE REVIEW

Shivam Kakati and Arup Roy (2016) :

The exploration looks at the monetary exhibition of Rancher Maker Organizations (FPCs) in Upper east India, underlining their possible advantages for aggregate asset pooling. Information from reviewed budget summaries of four FPCs more than 2014-17 is broke down utilizing proportion investigation to assess liquidity, benefit, and effectiveness. The review plans to survey FPCs' effect on ranchers' monetary prosperity in the area.

Vennila And N. Chandru (2022) : This study conducts a financial analysis of selected IT companies—Infosys Ltd, Tech Mahindra Ltd, Larsen & Toubro Infotech Ltd, and 3i Infotech Ltd. Using analytical research, it evaluates their past, present, and anticipated future financial performance, focusing on solvency, liquidity, profitability, efficiency, and effectiveness. The analysis offers insights into strengths, weaknesses, opportunities, and risks, aiding financial decision-making and planning.

Sejal S and Purabiya(2019) : This study assesses monetary execution in India's drug area, explicitly examining Cipla Ltd., Lupin Ltd., and Dr. Reddy's Lab Ltd. The area's development and significance are featured, pointing to assess benefit for organizations and financial backers. Solid sources including cash control and distributions are utilized for examination, zeroing in on reliable organizations with turnover surpassing 1000 crore for bits of knowledge into their monetary effectiveness.

3. OBJECTIVES

- To assets the company's liquidity
- To evaluate the company's profitability

4. RESEARCH METHDOLOGY

Research technique is a system utilized to perceive, pick, make due, and investigate information. It involves exploring the strategies used inside the field of study. Auxiliary information from Indo Spanish Delicious Food Confidential Restricted has been utilized, obtained from the organizations' yearly reports.

5. DATA ANALYSIS AND INTERPRETATION

Table-1 : Debt Equity Ratio

YEAR	TOTAL DEBT	EQUITY SHAREHOLDERS FUND	DEBT EQUITY RATIO
2018-19	16,44,969	41,50,88,143	0.004
2019-20	18,58,272	43,73,60,426	0.004
2020-21	7,72,024	47,74,16,840	0.002
2021-22	6,92,212	51,11,51,899	0.001

Analysis And Interpretation

Over the four years, the organization's obligation value proportion displayed an eminent pattern. In 2018-19 and 2019-20, the proportion stayed steady at a low 0.004, demonstrating a reliable harmony among obligation and value. In any case, in 2020-21, the proportion dropped to 0.002, mirroring a decline in the organization's dependence on obligation. This pattern gone on in 2021-22, with the proportion falling further to 0.001, recommending the organization's proceeded with work to decline its obligation weight and improve monetary soundness. The steady decrease in the obligation value proportion across the years infers a judicious monetary system zeroed in on limiting obligation openness.

Table-2 : Working Capital Turnover Ratio

YEAR	NET SALES	WORKING CAPITAL	WORKING CAPITAL TURNOVER RATIO
2018-19	80,31,15,422	22,24,79,382	3.61
2019-20	83,75,86,282	26,17,39,536	3.20
2020-21	91,06,05,364	30,85,58,434	2.95
2021-22	95,22,13,467	33,29,77,892	2.86

Analysis and Interpretation

The functioning capital turnover proportion over the four years uncovers specific patterns. In 2018-19, the proportion was 3.61, showing that the organization created 3.61 units of net deals per unit of working capital. Notwithstanding, this proportion diminished over the resulting years, arriving at 2.86 in 2021-22. This recommends a decrease in the effectiveness of changing over working capital into deals. Notwithstanding the decrease, the organization for the most part kept a fair turnover proportion, however the diminishing infers a likely region for improving working capital administration to further develop deals effectiveness.

Table -3 : Asset Turnover Ratio

YEAR	NET SALES	TOTAL ASSETS	ASSETS TURNOVER RATIO
2018-19	80,31,15,422	64,50,92,310	1.24
2019-20	83,75,86,282	69,60,76,793	1.20
2020-21	91,06,05,364	69,43,16,348	1.31
2021-22	95,22,13,467	74,37,24,460	1.28

Analysis and interpretation

The resources turnover proportion for the given years delineates a fluctuating pattern. In 2018-19, the proportion was 1.24, demonstrating that the organization created INR 1.24 of net deals per unit of all out resources. This proportion marginally diminished in 2019-20 to 1.20, bounced back to 1.31 in 2020-21, and settled at 1.28 in 2021-22. The varieties feature the organization's capacity to use its resources for create deals, with an eminent expansion in 2020-21. Notwithstanding the variances, the organization's capacity to create deals from its resources remains somewhat steady throughout the long term.

Table -4 : Gross Profit Ratio

YEAR	GROSS PROFIT	NET SALES	GROSS PROFIT RATIO
2018-19	7,51,47,445	80,31,15,422	9.36
2019-20	2,86,41,167	83,75,86,282	3.42

2020-21	5,61,16,913	91,06,05,364	6.16
2021-22	7,70,13,998	95,22,13,467	8.09

Analysis and Interpretation

The net benefit proportion over the predefined years shows differing designs. In 2018-19, the proportion remained at 9.36%, demonstrating that the organization held INR 9.36 for each INR 100 of net deals in the wake of representing the cost of merchandise sold. This proportion remarkably diminished to 3.42% in 2019-20, trailed by a huge recuperation to 6.16% in 2020-21 and a further increment to 8.09% in 2021-22. These changes demonstrate shifts in the organization's capacity to create net benefit as a level of net deals. While the proportion bounced back from a plunge in 2019-20, it arrived at a great level in 2021-22, reflecting better effectiveness in overseeing costs and producing benefit from deals.

6. FINDINGS

- **Stable Debt –Equity Ratio :** The obligation value proportion reliably stayed low over the four years, going from 0.001 to 0.004, demonstrating a decent methodology among obligation and value supporting.
- **Working Capital Efficiency :** The functioning capital turnover proportion diminished continuously from 3.61 to 2.86, recommending a decrease in the organization's capacity to create deals from its functioning capital.
- **Assets Utilization :** The resources turnover proportion vacillated, with an increment from 1.24 to 1.31 and a resulting diminishing to 1.28. This shows variable proficiency in using resources for produce deals.
- **Gross Profit Recovery :** After a plunge in 2019-20, the net benefit proportion recuperated fundamentally, coming to 8.09% in 2021-22. This features the organization's capacity to oversee expenses and increment overall revenues.
- **Liquidity and Profitability Balance :** While the functioning capital turnover diminished, the obligation value proportion stayed stable, and net benefit proportion gotten to the next level. This recommends the organization explored a harmony between liquidity and benefit.

7. CONCLUSION

- Taking everything into account, the organization displayed judicious monetary administration techniques. Stable obligation value proportions connote mindful getting rehearses. Regardless of a declining working capital turnover, the organization kept up with liquidity by dealing with its obligation levels really. Variances in resources turnover demonstrated fluctuating resource usage proficiency. The surprising recuperation in net benefit proportion highlighted effective expense the executives. These discoveries on the whole show the organization's capacity to find some kind of harmony between liquidity, benefit, and effective asset allotment.

8. REFERENCE

- [1] The distribution "Monetary Execution of Rancher maker organizations" was composed by Shivam Kakati what's more, Delivered by Harmony Diary of Agribusinessin 2017.
- [2] The distribution "Monetary Execution of Infosys ltd" was composed by Chandru and Delivered by IJCRT in 2022

WEBSITE REFERRED

- [3] www.indospanishtastyfood.com
- [4] www.ibef.org
- [5] <https://zendy.io>