

A STUDY OF FINANCIAL PERFORMANCE ANALYSIS AT MEDINOK HEALTHCARE PRIVATE LIMITED KURUMBAPET PUDUCHERRY

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ABSTRACT

Financial is regarded as the life blood of a business enterprise. In the modern oriented economy, finance is one of the basic foundations of all kinds of economics activities. Finance statements are prepared primary for decision -making. Financial performance is done to evaluate capability, stability and profitability of the company. Finance is the life blood of any business every business under taking needs finance for its smooth working .it has to raise funds from the cheapest and risky source to utilize this in most effective manner. So, every company will be interested in knowing its financial performance. It is analyzed using Schedules changes in working capital, Statement analysis and profitability ratios for the period 2020-2023 based on the secondary data that is balance sheet and profit/loss account.

KEYWORDS: Financial Analysis, Ratio Analysis, Financial Performance, Profitability Ratio.

I.INTRODUCTION

According to Shinde Govind P. & Dubey Manisha (2011) The study has been conducted considering the segments such as passenger vehicle, commercial vehicle, utility vehicle, two and three wheeler vehicle of key players performance and also analyse SWOT analysis and key factors influencing growth of automobile industry.

Sharma Nishi (2011)Studied the financial performance of passenger and commercial vehicle segment of the automobile industry in the terms of four financial parameters namely liquidity, profitability, leverage and managerial efficiency analysis for the period of decade from 2001-02 to 2010-11. The study concludes that profitability and managerial efficiency of Tata motors as well as Mahindra & Mahindra ltd are satisfactory but their liquidity position is not satisfactory. The liquidity position of commercial vehicle is much better than passenger vehicle segment.

Singh Amarjit & Gupta Vinod (2012) explored an overview of automobile industry. Indian automobile industry itself as a manufacturing hub and many joint ventures have been setup in India with foreign collaboration. SWOT analysis done there are some challenges by the virtue of witch automobile industry faces lot of problems and some innovative key features are keyless entry, electrically controlled mechanisms enhanced driving control, soft feel interiors and also need to focus in future on like fuel efficiency, emission reduction safety and durability.

II.REVIEW OF LITERATURE:

Zafar S.M.Tariq & Khalid S.M (2012)The study explored that ratios are calculated from financial statements which are prepared as desired policies adopted on depreciation and stock valuation by the management

Ray Sabapriya (2012) Studied the sample of automobile companies to evaluate the performance of industry through indicators namely sales, production and export trend etc for period of 2003-04 to 2009-10.

Dawar Varun (2012) Study to analyse the effect of various fundamental corporate policy variables like dividend, debit, capital expenditure on stock prices of automobile companies of India. The study tends that dividend & investment policy are relevant and capital structure irrelevant to stock prices.

Mistry Dharmendra S. (2012)Understood a study to analyse the effect of various determinants on the profitability of the selected companies

Rapheal Nisha (2013)The author tries to evaluate the financial performance of Indian tyre industry. The study was conducted for period 2003-04 to 2011-12 to analyse the performance with financial indicators, sales trend, export trend, production trend etc.

Hotwani Rakhi (2013) The author examines the profitability position and growth of company in light of sales and profitability of Tata Motors for past ten years. Data is analyzed through ratios, standard deviations and coefficient of variance.

Mistry Dharmendra S. (2012) understood a study to analyze the effect of various determinants on the profitability of the selected companies. It concluded that debt equity ratio, inventory ratio, total assets were important determinants which effect positive or negative effect on the profitability.

YEAR	CURRENT ASSET	CURRENT LIABILITIES	CURRENT RATIO
2020-2021	42,230,405	39,367,566	1.072
2021-2022	37,245,610	35,801,243	1.040
2022-2023	64,985,520	48,917,211	1.328

Agarwal, Nidhi (2015) the study focus on the comparative financial performance of Maruti Suzuki and Tata motors ltd. The financial data and information required for the study are drawn from the various annual reports of companies.

III.OBJECTIVES OF THE STUDY

- 1.To know the profitability and liquidity position of the company using ratio analysis.
- 2.To find the company performance relating to financial statement analysis.

IV.RESEARCH METHODOLOGY

To carry out the research objectives Medinok Healthcare Private Limited kurumbapet Puducherry the sources of the data for the analysis is the published annual report of the firm and taking into account the availability of data the period of the study as been taken from 2020-2023. Analytical research was used and the data calculated for the study is secondary data. These data which have been collected by someone else and which already been passed through statistical

V.DATA ANALYSIS AND INTERPRETATION:

YEAR	SALES	FIXED ASSET	FIXED ASSET TURNOVER
2020-2021	7,05,01,080	95,07,396	7.415
2021-2022	5,72,22,344	83,36,723	6.863
2022-2023	5,39,40,299	73,25,860	7.362

5.1 CURRENT RATIO = $\frac{\text{CURRENT ASSET}}{\text{CURRENT LIABILITIES}}$

Source: Secondary Data

INFERENCE

The above table shows the current ratio of three years(2021-2023) . The current ratio varied form 1.072 to 1.040 with an average of 1.00.The current ratio in the year 2023 [1.328]as increase trend.

5.2 DEBTOR TURNOVER RATIO :

$$\text{DEBTOR TURNOVER RATIO} = \frac{\text{NET CREDIT SALES}}{\text{AVERAGE RECEIVABLES}}$$

Source: Secondary Data

INFERENCE

The above table shows that the debtor turnover ratio shows the relationship between the net credit sales and average receivable. In the year 2021 is (2.35) than decrease in 2022 as (2.24) and it increase in the year in 2023 as (3.25).

5.3 FIXED ASSET TURNOVER RATIO:

$$\text{FIXED ASSET TURNOVER RATIO} = \frac{\text{SALES}}{\text{FIXED ASSET}}$$

Source: Secondary Data

INFERENCE

The above table shows the fixed assets turnover ratio in the year 2021 as 7.4 than it decreases to 6.863 in the year 2022 than it increases as 6.3 in the year 2023.

5.4 NET PROFIT RATIO = $\frac{\text{NET PROFIT}}{\text{SALES}} \times 100$

YEAR	SALES	NET PROFIT	NET PROFIT RATIO
2020-2021	7,05,01,080	11,60,800	6073.4
2021-2022	5,72,22,344	10,15,402	5635.4
2022-2023	5,39,40,299	10,19,728	5289.6

Source: Secondary Data

INFERENCE

The above table shows the profitability ratio for the past three years. During the year 2021 the net profit ratio is high (6073.4) and during the year 2022-23 the net profit ratio was low (5289.6).

VI. DISCUSSION AND CONCLUSION

Financial performance analysis is a critical aspect of financial management for businesses, as it directly affects their liquidity, profitability, and overall operational efficiency. After analyzing the various components and strategies involved in financial performance analysis.

Effective financial performance analysis ensures that a business maintains a healthy cash flow. Cash flow is the lifeblood of any organization, and insufficient working capital can lead to liquidity problems, missed opportunities, and potential bankruptcy. It is crucial for businesses to actively monitor and manage their cash conversion cycle, which involves optimizing the inflow and outflow of cash. We conclude that the company maintained the strong financial position.

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YEAR	NET CREDIT SALES	AVERAGE RECEIVABLES	DEBTORS TURNOVER
2020-2021	7,05,01,080	2,98,98,593	2.35 TIMES
2021-2022	5,72,22,344	2,55,30,511	2.24 TIMES
2022-2023	5,39,40,229	1,65,48,500	3.25 TIMES

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