

Financial Performance of Hi-Tech Arai Private Limited

R. Ramamoorthy, G.Thilrukshan,Vimala D

Abstract: Based on information examination done on investigation of money related execution of Hi Tech Arai it very well may be presumed that the organization's in general budgetary exercises is attractive. Since the greater part of the crude materials are being imported, the organization needs to keep up a support stock for crisis cases. So a great deal of reserve is put resources into crude material inventories which at last influence the liquidity and benefit of the worry and consequently the liquidity pattern of the organization is expanding step by step which is a decent marker. The organization the greater part of incomes from the fare things of different nations. They will urging the fare to the remote counters. The money and bank parity of the organization is declining so the organization must have an eye on it. Installment to the lenders is deferred because of the inaccessibility of money close by. [1],[3],[5]

Keywords : cash,analysis,ratios

I. INTRODUCTION

An association's cash related conditions are of a significant stress to budgetary authorities and banks. As capital providers, examiners and leasers rely upon an association's cash related conditions for both the prosperity and advantage of their endeavors. Even more expressly, money related experts and banks need to know where their money went and where it is presently. The spending synopsis of fiscal record keeps an eye on such issues by giving point by point information about an association's advantage adventures. The fiscal record furthermore records an association's uncommon commitment and worth portions, in this way commitment and worth monetary experts can all the almost certain appreciate their relative positions in an association's capital mix. [2],[4],[6]

Cash related examination is a piece of the general business reserve work that incorporates taking a gander at real data to get information about the present and future budgetary prosperity of an association. Fiscal assessment can be associated in a wide combination of conditions to give business executives the information they need to choose fundamental decisions. The ability to grasp cash related data is essential for any business executive. Record is the language of business. Business destinations and targets are set in cash

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related terms and their outcomes are assessed in budgetary terms. Among the aptitudes required to understand and manage a business is recognition with the language of reserve—the ability to examine and fathom cash related data similarly as present information as budgetary reports. [7],[9],[11]

The record work in business incorporates surveying money related examples, setting budgetary methodology, and making long-expand arrangements for business works out. It in like manner incorporates applying a plan of internal controls for the treatment of cash, the affirmation of offers, the apportioning of costs, the valuation of stock, and the underwriting of capital employments. In addition, the reserve limit expounds on these internal control systems through the availability of spending rundowns, for instance, compensation clarifications, fiscal records, and salary verbalizations. [8],[10],[12]

Finally, cash incorporates separating the data contained in spending answers to give gainful information to the officials decisions. Consequently, cash related assessment is only a solitary bit of the general limit of reserve, anyway it is a critical one. Finding the full significance contained in the declarations is at the center of budgetary examination. Perceiving how records relate to one another is a bit of cash related examination. Another bit of budgetary assessment incorporates using the numerical data contained in association declarations to uncover instances of activity that may not be clear externally. [13],[15],[17]

The advantage report follows the budgetary and physical resources that an association has open for business practices later on. It is fundamental to note, regardless, that the advantage report just records these benefits, and makes no judgment about how well they will be used by the officials. Consequently, the financial record is progressively useful in analyzing an association's present budgetary position than its typical execution. [14],[16],[18]

The standard parts of the money related record are assets and liabilities. Assets generally join both current assets (cash or partners that will be changed over to cash inside one year, for instance, obligation cases, stock, and prepaid expenses) and noncurrent (assets that are held for more than one year and are used in keeping up the business, including fixed assets like property, plant, and equipment; whole deal adventures; and insignificant assets like licenses, copyrights, and charitableness). Both the total of focal points and the beautifying agents of

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advantage records are imperative to cash related examiners. [19],[21],[23]

The benefit report moreover fuses two groupings of liabilities, current liabilities (commitments that will come due inside one year, for instance, loan boss liabilities, transient advances, and surveys) and whole deal (commitments that are normal more than one year from the date of the declaration). Liabilities are basic to financial inspectors since associations have same pledge to pay their bills reliably as individuals, while business compensation will when all is said in done be more uncertain. Whole deal liabilities are less basic to specialists, since they miss the mark on the sincerity of transient commitments, anyway their embodiment demonstrates that an association is adequately ready to be allowed to get money. [20],[22], [24]

II. OBJECTIVES

A. Primary objective

- To study about the financial performance

B. Secondary objective

- To Analyzing the past financial data for tacking the financial decision for future at
- Hi – Tech Arai Private Limited, Madurai.
- To knowledge about the financial analysis of the corporate company.
- To analyzing the original data from the company.

III. DATA ANALYSIS AND INTERPRETATION

Table 1 Hi-Tech Arai Private Limited 3 Years Comparative Balance Sheet

| Particulars | Balance | | | Difference | | Differnt | |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------------------------|----------------------------|
| | 2013- Rs. In LAKH | 2014- Rs. in LAKH | 2015- Rs. in LAKH | 2014- Rs. in LAKH | 2015- Rs. in LAKH | 2014- INCREASES(+) % | 2015- INCREASES(+) % |
| Liabilities | | | | | | | |
| Share capital | 560.00 | 560.00 | 560.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Reserves and Surplus | 15271.2 | 17151.7 | 19777 | 1880.4 | 4506.59 | 12.31 | 29.51 |
| Net worth | 15831.2 | 17711.7 | 20337 | - | - | - | - |
| Noncurrent liabilities | | | | | | | |
| Deferred tax | 918.44 | 684.14 | 559.09 | -234.3 | -359.35 | -25.51 | -39.12 |
| Current Liabilities | | | | | | | |
| Short-term borrowings | 821 | - | - | -821.92 | -100 | -100 | -100 |
| Trade payables | 4367.03 | 4417.49 | 4024.2 | 50.46 | -342.83 | 1.15 | -7.85 |
| Other current liabilities | 1892.85 | 2041.73 | 2403.8 | 148.87 | 510.96 | 7.86 | 26.99 |
| Short term provisions | 1132.95 | 1698.28 | 2258.1 | 565.33 | 1125.22 | 49.89 | 99.31 |
| Total Liabilities Change | 24964.4 | 26553.3 | 29583 | 1588.8 | 4618.67 | 6.36 | 18.50 |
| Assets | | | | | | | |
| Fixed Assets | | | | | | | |
| i) Tangible assets | 9017.80 | 9290.73 | 9042.2 | 272.93 | 24.44 | 3.02 | 0.27 |
| ii) Intangible assets | 0.00 | 184.49 | 134.19 | 184.49 | 134.19 | 0 | 0 |
| iii) Capital work in | 37.09 | 5.63 | 7.63 | -31.46 | -29.46 | -84.82 | -79.42 |
| Noncurrent investments | 0.65 | 0.65 | 0.65 | 0 | 0 | 0 | 0 |
| long term loans and | 275.08 | 314.77 | 287.14 | 39.69 | 12.06 | 14.42 | 4.38 |
| other noncurrent assets | 0.57 | 0.71 | 0.76 | 0.14 | 0.19 | 24.56 | 33.33 |
| Noncurrent Assets | 9331.19 | 9796.98 | 9472.6 | 465.79 | 141.42 | -42.80 | -41.43 |
| Inventories | 5652.50 | 5823.56 | 4721.1 | 171.06 | -930.71 | 3.02 | -16.46 |
| Trade receivables | 8358.92 | 8225.64 | 9494.2 | - | 1135.34 | -1.59 | 13.58 |
| Cash and cash equivalents | 464.79 | 705.27 | 4387.6 | 240.48 | 3922.84 | 51.73 | 844.02 |
| Short term loans and | 1156.58 | 2000.99 | 1426.3 | 844.41 | 269.77 | 73.09 | 23.32 |
| Other current assets | 0.50 | 0.91 | 80.51 | 0.41 | 80.01 | 82 | 16002 |
| Current Assets | 15633.2 | 16756.3 | 20110 | 1123.0 | 4477.25 | 208.18 | 16866.4 |
| Total Assets Change | 24964.4 | 26553.3 | 29583 | 1588.8 | 4618.67 | 6.36 | 18.50 |

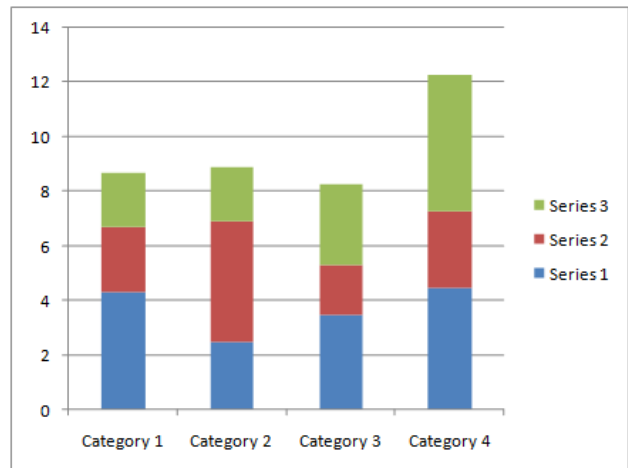


Fig:1 Comparative balance Sheet

INTERPRETTION

demonstrates that how the total assets are expanded during the year 2014, 2015, and 2016. The present resource is likewise expanded in two years (127.64, 1250.72) contrasted and 2014. It's Refers to the organization liquidity status of these years. Simultaneously present liabilities are diminishing of these years. It demonstrates the organization development level and current credit level of the firm. The working capital level is step by step expanded in recent years. The working capital qualities are 2014 - 4428.18 and 2015 - 7418.54 and 2016 [25],[27],[29]

Table:2 Comparitive Profit and Loss account

Comparative profit and loss accounts (2014, 2015 and 2016)

| Hi- Tech Arai (P) Ltd Comparative profit and loss account As on 2014, 2015 and 2016 | | | | | | | | |
|--|---------------------------------|-----------------|----------------|-----------------|-------------------|----------------------|-------------------|----------------------|
| S.N | Particular | 2013-14 | 2014-15 | 2015-16 | 2014-15 | | 2015-16 | |
| | | Rs. | Rs. | Rs. | Different Balance | Different percentage | Different Balance | Different percentage |
| | | In LAKHS | in LAKHS | in LAKHS | Rs. | Rs. | % | % |
| a) | Sales | 39864.51 | 43040.13 | 42824.63 | 3175.62 | 2960.12 | 7.96 | 7.42 |
| b) | Other O. Revenue | 937.16 | 963.97 | 772.08 | 26.81 | -165.08 | 2.86 | -17.61 |
| | Total Operating Revenues | 40801.67 | 44004.1 | 43596.71 | 3202.43 | 2795.04 | 7.848 | -6.85 |
| 2) | Less: cost of sales | 19287.9 | 19956.5 | 16693.82 | 668.56 | 2594.09 | 3.4662 | 13.44 |
| 3) | Gross Profit | 21513.8 | 24047.7 | 26902.89 | 2533.87 | 5389.11 | 11.77 | 25.04 |
| 4) | Add: Other income | 234.9 | 135.01 | 190.22 | -99.89 | -44.68 | -42.52 | -19.02 |
| 5) | Total | 21748.7 | 24182.7 | 27093.11 | 2433.98 | 5344.43 | 11.19 | 24.57 |
| 6) | Less: Other Exp | 18264.8 | 18495.1 | 19951.38 | 230.23 | 1686.56 | 1.26 | 9.23 |
| 7) | Net profit before tax | 3483.86 | 5687.61 | 7141.73 | 2203.75 | 3657.87 | 63.25 | 104.99 |
| 8) | Less: tax Exp | 1225.08 | 1926.15 | 2493.56 | 701.07 | 1268.48 | 57.22 | 103.54 |
| 9) | Net Profit after Tax | 2258.78 | 3761.46 | 4648.17 | 1502.68 | 2389.39 | 66.52 | 105.78 |

Chart 2 Comparative profit and loss account

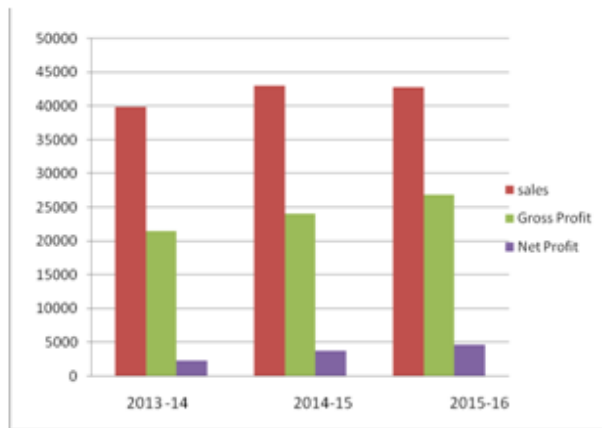


Fig:2 Comparative Profit and Loss account

INTERPRETATION

shows on comparing the financial income statement of the company for the year ending 2014, 2015, and 2016. The total operating revenue has been increased by 25.55%. But the operating expenditure has been decreased by 14.54. So the net profit is increased by 255.16 in 2016. The gross profit level also has been increased. It means the company has been control the production cost. The net profit level indicates the company growth level. Chart 3.2 is shows the company growth [26],[28],[30]

Table 3 Common size balance sheet (2014, 2015 and 2016)

| Hi-Tech Arai (P) Ltd common size balance sheet | | | | | | | |
|--|-------------------------------|-----------------|-----------------|-----------------|---------------|---------------|---------------|
| S.No | Liabilities | 2013-14 | 2014-15 | 2015-16 | 2013-14 | 2014-15 | 2015-16 |
| | | Rs. in LAKHS | Rs. in LAKHS | Rs. in LAKHS | % | % | % |
| 1) | Shareholders' Funds | | | | | | |
| | Share capital | 560 | 560 | 560.00 | 2.24 | 2.10 | 1.89 |
| | Reserves and Surplus | 15271.29 | 17151.71 | 19777.88 | 61.17 | 64.59 | 66.85 |
| | Net worth | 15831.29 | 17711.71 | 20337.88 | 63.41 | 66.70 | 68.74 |
| 2) | Noncurrent liabilities | | | | | | |
| | Long term borrowings | - | - | - | - | - | - |
| | Deferred tax liabilities(net) | 918.44 | 684.14 | 559.09 | 3.67 | 2.57 | 1.88 |
| 3) | Current liabilities | | | | | | |
| | Short-term borrowings | 821.92 | - | - | 3.29 | 0 | 0 |
| | Trade payables | 4367.03 | 4417.49 | 4024.20 | 17.49 | 16.63 | 13.60 |
| | Other current liabilities | 1892.85 | 2041.73 | 2403.81 | 7.58 | 7.68 | 8.12 |
| | Short term provisions | 1132.95 | 1698.28 | 2258.17 | 4.53 | 6.39 | 7.63 |
| | Total | 24964.48 | 26553.35 | 29583.15 | 100.00 | 100.00 | 100.00 |
| 4) | Assets | | | | | | |
| | Fixed Assets | | | | | | |
| | i) Tangible assets | 9017.80 | 9290.73 | 9042.24 | 36.12 | 34.98 | 30.56 |
| | ii) Intangible assets | - | 184.49 | 134.19 | 0 | 0.69 | 0.43 |

| | | | | | | | |
|-----------|-------------------------------|-----------------|-----------------|-----------------|---------------|---------------|---------------|
| iii) | Capital work in progress | 37.09 | 5.63 | 7.63 | 0.14 | 0.02 | 0.02 |
| b) | Noncurrent investments | 0.65 | 0.65 | 0.65 | 0.02 | 0.0024 | 0.002 |
| | long term loans and advances | 275.08 | 314.77 | 287.14 | 1.10 | 1.18 | 0.97 |
| c) | other noncurrent assets | 0.57 | 0.71 | 0.76 | 0.02 | 0.0026 | 0.0025 |
| I | Noncurrent Assets | 9331.19 | 9796.98 | 9472.61 | 37.37 | 36.89 | 32.020 |
| a) | Inventories | 5652.5 | 5823.56 | 4721.79 | 22.64 | 21.93 | 15.96 |
| b) | Trade receivables | 8358.92 | 8225.64 | 4387.63 | 33.48 | 30.97 | 32.03 |
| c) | Cash and cash equivalents | 464.79 | 705.27 | 1426.35 | 1.86 | 2.65 | 14.83 |
| | Short term loans and advances | 1156.58 | 2000.99 | 80.51 | 4.63 | 7.53 | 4.82 |
| d) | Other current assets | 0.5 | 0.91 | 9494.26 | 0.002 | 0.003 | 0.27 |
| II | Current Assets | 15633.29 | 16756.37 | 20110.54 | 62.62 | 63.10 | 67.97 |
| | Total | 24964.48 | 26553.35 | 29583.15 | 100.00 | 100.00 | 100.00 |

IV. RESULTS

The total assets and current resources are expanding pattern in recent year's then pay articulation is appear for net benefit is expanding pattern. [31],[33],[32]

- The noncurrent resources are diminishing pattern in recent years.
- The current proportions are recent years 1.4, 1.9 and 2.05. The present proportion is show the expanding pattern.
- The Cash proportion is demonstrate the expanding pattern (0.02, 0.06 and 0.09) in 2014, 2015 and 2016.
- The gross benefit proportions are 53.51, 53.97 and 57.82 it demonstrate the expanding pattern.
- The net benefit proportion is additionally expanding pattern in last three years (3.13, 5.67 and 8.86)
- The working capital turnover proportion is demonstrate the working capital improvement of the most recent three years (Rs.4428.18), (Rs.7418.54) and (Rs.8598.87)
- The costs proportion demonstrate the 2014(1%) and 2016(0.94%) are spare the costs yet 2015(1.01).
- The generally monetary execution is awesome in the 2015-multi year.

V.DISCUSSION

- The company correctly utilizing the current liquidity item to improve the operating revenues.
- The company has to improve the export of the other countries.
- The company motivated preparing of profit and loss account to encourage the gross profit.
- They must stabilize the growth of the organization.

VI. CONCLUSION

Based on information examination done on investigation of money related execution of Hi Tech Arai it very well may be presumed that the organization's in general budgetary exercises is attractive. Since the greater part of the crude materials are being imported, the organization needs to keep up a support stock for crisis cases. So a great deal of reserve is put resources into crude material inventories which at last influence the liquidity and benefit of the worry and consequently the liquidity pattern of the organization is expanding step by step which is a decent marker. The organization the greater part of incomes from the fare things of different nations. They will urging the fare to the remote counters. The money and bank parity of the organization is declining so the organization must have an eye on it. Installment to the lenders is deferred because of the inaccessibility of money close by.

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