

A STUDY ON FINANCIAL PERFORMANCE ANALYSIS OF REFEX INDUSTRIES LIMITED

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ABSTRACT: This project, "A study on Financial Performance Analysis of Refex Industries Limited," aims to thoroughly evaluate the company's financial health over the past five years. It assesses efficiency using key ratios and comparative analysis, focusing on profitability, turnover, solvency, and liquidity. The study provides actionable suggestions to improve financial performance, highlighting strengths and weaknesses to aid in positioning within the industry.

Keywords: Financial analysis, financial performance, Ratio Analysis, Trend, Turnover

INTRODUCTION

The study titled "A study on Financial Performance Analysis of Refex Industries Limited" explores the financial health and operational efficiency of the company, a prominent player in the refrigerants and related products industry. Founded on principles of innovation and sustainability, Refex Industries has become a significant contributor to various sectors including automotive, commercial, and residential. Through an examination of key financial indicators and trends over a specified period, the analysis aims to provide insights into the company's overall financial well-being and effectiveness. By scrutinizing financial statements and conducting a thorough evaluation, the study identifies strengths, weaknesses, opportunities, and threats within the competitive landscape. It serves as a valuable resource for investors, analysts, stakeholders, and industry professionals seeking to understand Refex Industries' financial status, growth potential, and strategic positioning. Additionally, it offers a reference point for future research, strategic planning, and investment decisions concerning Refex Industries Limited.

INDUSTRY PROFILE

Refex Industries Limited operates within the industrial sector, specifically focusing on the manufacturing and distribution of refrigerants and related products. The company operates in the global refrigerant market, which is vital for various industries such as heating, ventilation, air conditioning, and refrigeration (HVAC&R). Refrigerants are essential for maintaining desired temperatures in residential, commercial, automotive, and industrial applications.

OBJECTIVE OF THE STUDY

- 1.To Study The Financial Performance analysis of Refex industries limited.
- 2.To measure the Liquidity,Solvency and Profitability position of Refex industries Limited.
- 3.To measure the Trend analysis and financial position of Refex industries Limited.
- 4.To compare and analyse the financial statements for the past five financial years .
- 5.To provide suggestions for improving the overall financial performance of the company.

REVIEW OF LITERATURE

- 1.Smith, J. & Lee, K. (2010). "Impact of Globalization on Corporate Financial Performance in the Tech Sector." Examines how global market access and competition have driven financial performance in technology companies, with a focus on profit margins and revenue growth.
- 2.Morales, A. & Thompson, R. (2011). "Financial Performance Metrics in the Renewable Energy Sector: A Comparative Study." Discusses the financial health of companies in the renewable energy sector, comparing traditional metrics such as ROE and ROA with new sustainability-linked KPIs.
- 3.Chang, Y. & Patel, S. (2012). "The Role of Corporate Governance in Financial Performance: A Quantitative Approach." Analyzes the impact of strong corporate governance structures on financial health and investor confidence across multiple industries.
- 4.Hassan, M. & Wright, L. (2013). "Financial Ratios as Predictors of Bankruptcy in the Retail Sector." Utilizes a variety of financial ratios to predict the likelihood of bankruptcy in retail businesses, contributing to risk assessment models.
- 5.Kumar, N. & Zhao, X. (2014). "Economic Downturns and Financial Performance of Logistics Companies." Studies how economic recessions impact the liquidity and solvency ratios of major logistics companies.

RESEARCH METHODOLOGY

Research Methodology is a systematic way of solving the problem. It includes the overall research design, the sampling procedures, data collection method and analysis procedure. In this study the researcher is going to analyse the financial performance by using relevant tools and techniques, analytical research design is used

II. METHODS OF DATA COLLECTION

Secondary Data has been collected from sources like Company reports, magazine, journals, and annual reports.

III. SECONDARY DATA COLLECTION

The secondary data are those which have already been collected by someone else and which have already been passed through the statistical process. Secondary data were obtained from: -

- Balance Sheet
- Annual Report
- Company Website

IV. PERIOD OF STUDY

The study was done based on the financial data of Refex Industries Limited's 5 years Balance sheet and The Annual Reports of the company (2019-2023)

Tools used for the study:

- Ratio analysis.
- Comparative balance sheet statements.
- Bar Diagram.

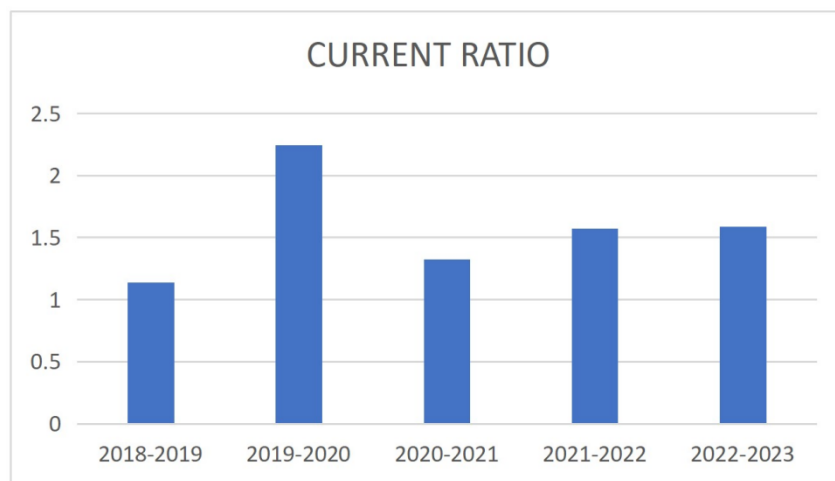
- Trend Analysis.

DATA ANALYSIS AND INTERPRETATIONS:

Table no: 4.1 Current Ratio: Current Assets/Current Liabilities. (Rupees in Lakhs)

Year	Current Assets	Current Liabilities	Ratios (In Rupees)
2018-2019	13118.14	11544.28	1.136332
2019-2020	10922.46	4870.93	2.242377
2020-2021	17091.99	12907.14	1.324228
2021-2022	21345.27	13583.05	1.571464
2022-2023	52590.90	33174.77	1.585268

Chart no : 4.1



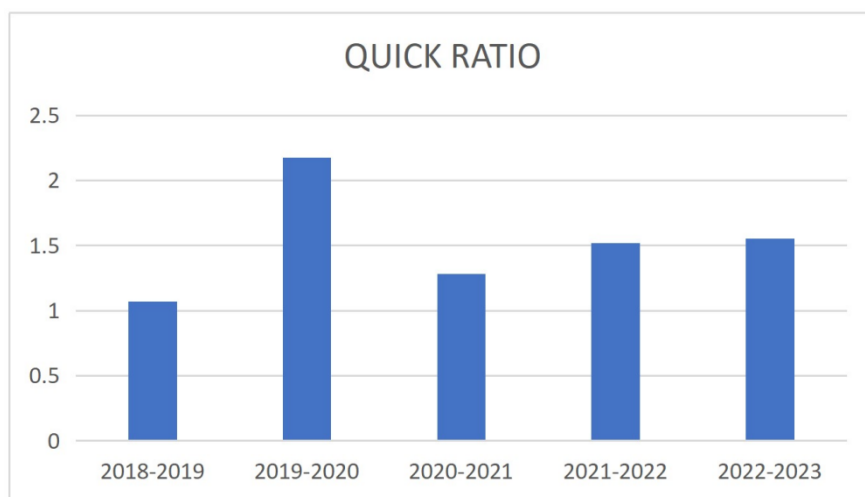
Interpretation:

From the above table it is inferred that, the current ratio is increased in the year 2019-2020 with 2.242. Whereas, exceptionally low in the year of 2018-2019 with 1.136. It started to gradually increasing from 2021-2022.

Table No: 4.2 Quick Ratio: Current Assets-Inventories/Current Liabilities (RupeesinLakhs)

Year	Current Assets	Inventories	Current Liabilities	Ratios (In Rupees)
2018-2019	13118.14	758.69	11544.28	1.070612
2019-2020	10922.46	318.25	4870.93	2.17704
2020-2021	17091.99	548.64	12907.14	1.281721
2021-2022	21345.27	746.47	13583.05	1.516508
2022-2023	52590.90	1081.40	33174.77	1.552671

Chart no : 4.2



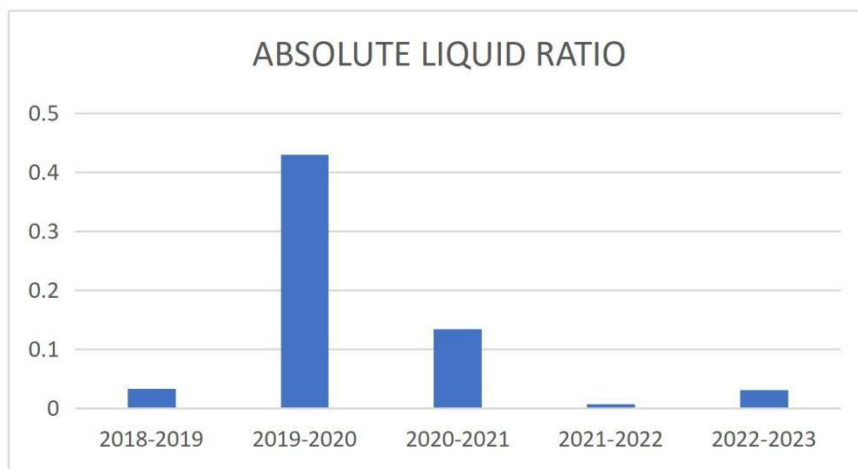
Interpretation:

From the above table it is inferred that, the quick ratio is increased in the year 2019-2020 with 2.177 whereas, exceptionally low in the following years from 2018- 2019 with 1.070 It is noticed that year after year the Quick ratio is Fluctuating.

Table No: 4.3 Absolute liquid Ratio: Cash/Current Liabilities (Rupees in Lakhs)

Year	Cash	Current Liabilities	Ratios (In Rupees)
2018-2019	386.8	11544.28	0.033506
2019-2020	2095.17	4870.93	0.430138
2020-2021	1724.45	12907.14	0.133604
2021-2022	99.03	13583.05	0.007291
2022-2023	1017.63	33174.77	0.030675

Chart no : 4.3



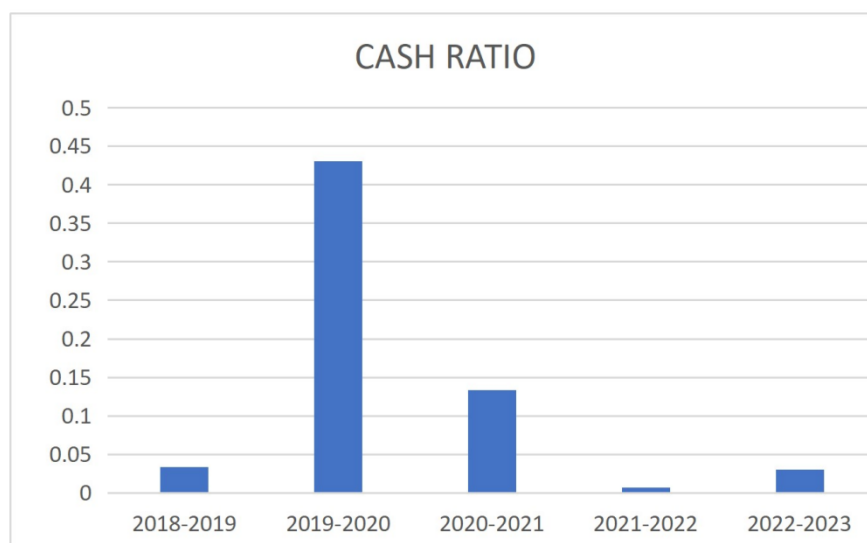
Interpretation:

From the above table it is inferred that, the absolute liquid ratio is increased in theyear from 2019-2020 with 0.430 whereas, slightly low in the year 2021-2022 with 0.007. It is noticed that year after year the Absolute Liquid ratio is fluctuating

Table No: 4.4 Cash ratio: Cash and Cash equivalent/Current liabilities (Rupees in Lakhs)

Year	Cash	Current Liabilities	Ratios (In Rupees)
2018-2019	386.8	11544.28	0.033506
2019-2020	2095.17	4870.93	0.430138
2020-2021	1724.45	12907.14	0.133604
2021-2022	99.03	13583.05	0.007291
2022-2023	1017.63	33174.77	0.030675

Chart no : 4.4



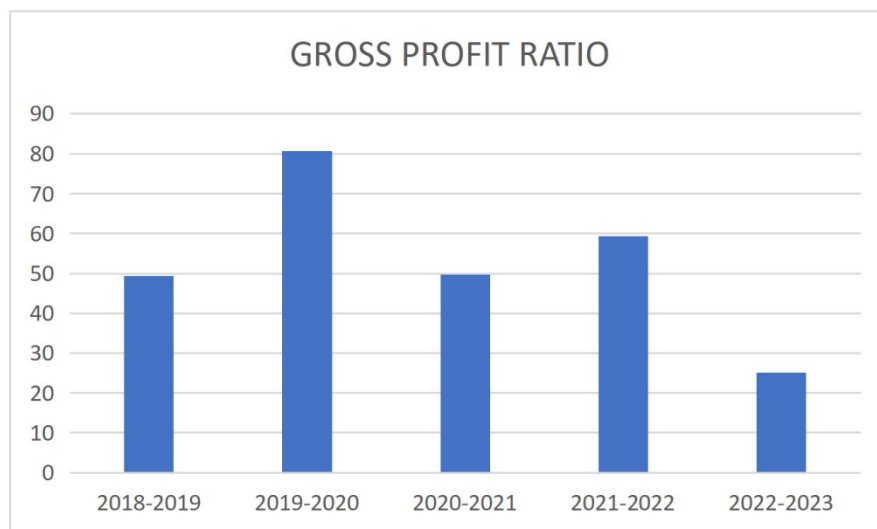
Interpretation:

From the above table it is inferred that, the cash ratio is increased in the year from 2019- 2020 with 0.430 whereas, exceptionally low in the year 2021-2022 with 0.007. It is noticed that year after year the Cash ratio is fluctuating.

Table No: 4.5 Gross Profit Ratio: Gross profit/Sales*100(Rupees in Lakhs)

Year	Gross Profit	Sales	Ratios (In Percentage)
2018-2019	22770.22	46105.11	49.38763
2019-2020	53340.09	66074.43	80.72728
2020-2021	31430.42	63265.88	49.67989
2021-2022	26325.36	44395.88	59.29685
2022-2023	40852.64	162914.96	25.07605

Chart no : 4.5



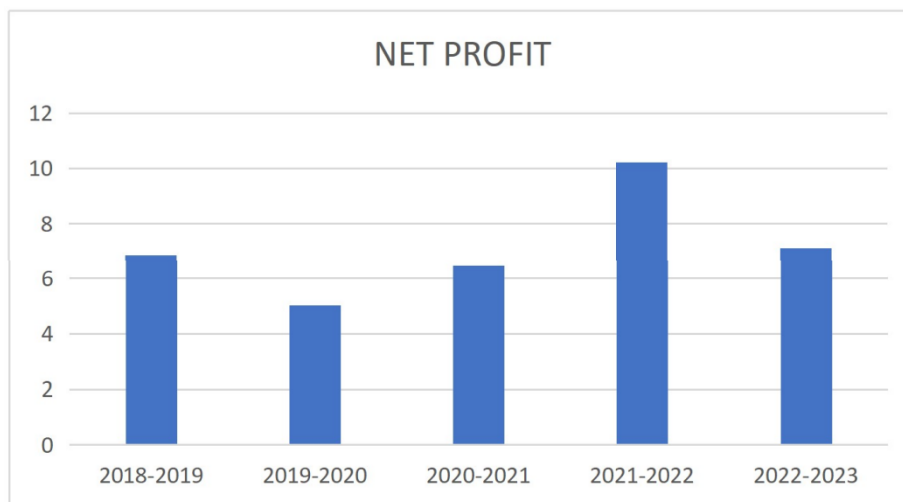
Interpretation:

From the above table it is inferred that, the Gross Profit ratio is increased in the year from 2019-2020 with 80.72 whereas, exceptionally low in the year 2022-2023 with 25.07. It is noticed that year after year the Gross Profit ratio is fluctuating.

Table No: 4.6 Net Profit Ratio: Net profit/Sales*100(Rupees in Lakhs)

Year	Net Profit	Sales	Ratios (In Percentage)
2018-2019	3163.41	46105.11	6.8613
2019-2020	3313.26	66074.43	5.014436
2020-2021	4094.33	63265.88	6.471624
2021-2022	4538.99	44395.88	10.2239
2022-2023	11606.35	162914.96	7.124177

Chart no : 4.6



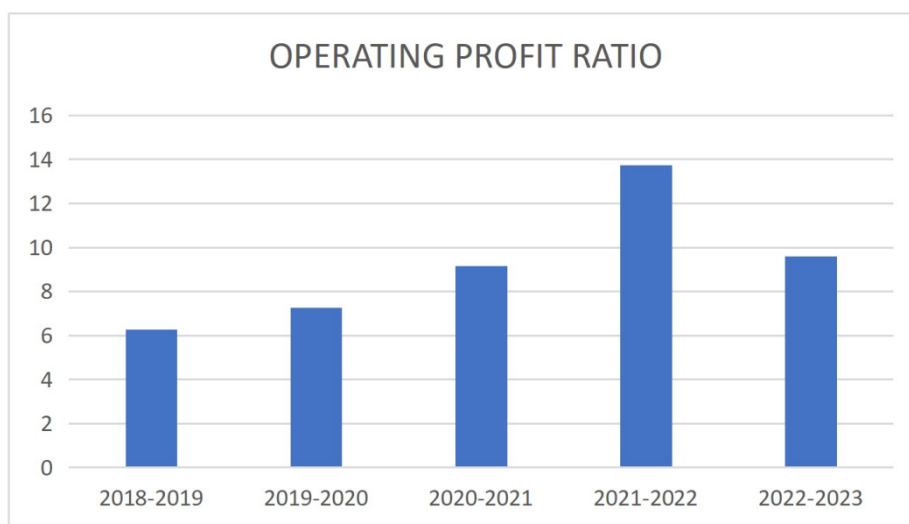
Interpretation:

From the above table it is inferred that, the Net Profit ratio is increased in the year from 2021-2022 with 10.22 whereas, low in the year 2019-2020 with 5.01. It is noticed that year after year the Net Profit ratio is fluctuating.

Table No: 4.7 Operating Profit Ratio: Operating profit/Sales*100(Rupees inLakhs)

Year	Operating Profit	Sales	Ratios (In Percentage)
2018-2019	2886.97	46105.11	6.261714
2019-2020	4802.66	66074.43	7.268561
2020-2021	5785.79	63265.88	9.145198
2021-2022	6097.94	44395.88	13.73537
2022-2023	15638.89	162914.96	9.599419

Chart no : 4.7



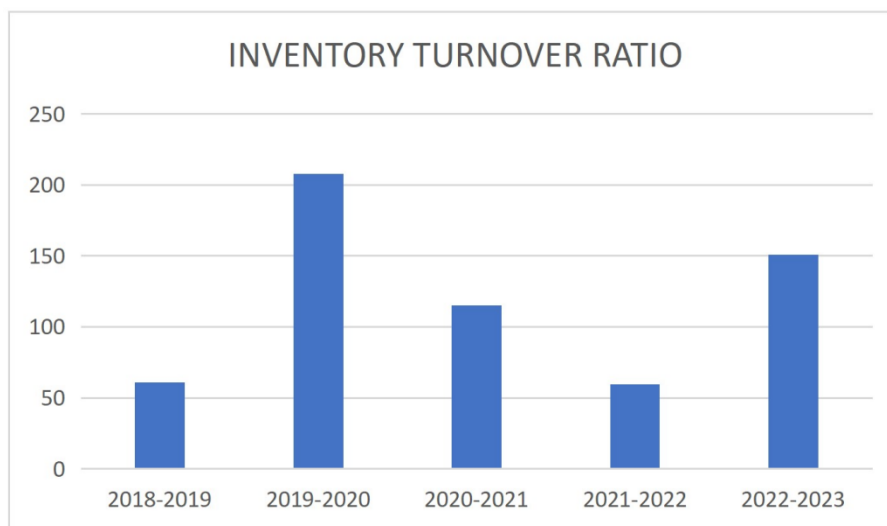
Interpretation:

From the above table it is inferred that, the Operating Profit Ratio increased in the year from 2021-2022 with 13.73 whereas, exceptionally low in the year 2018-2019 with 6.26. It is noticed that year after year the Operating Profit ratio is Fluctuating.

Table No: 4.8Inventory Turnover Ratio: Sales/Average Inventories(Rupees inLakhs)

Year	Sales	Inventories	Ratios (InTimes)
2018-2019	46105.11	758.69	60.76937
2019-2020	66074.43	318.25	207.618
2020-2021	63265.88	548.64	115.314
2021-2022	44395.88	746.47	59.47443
2022-2023	162914.96	1081.40	150.6519

Chart no : 4.8



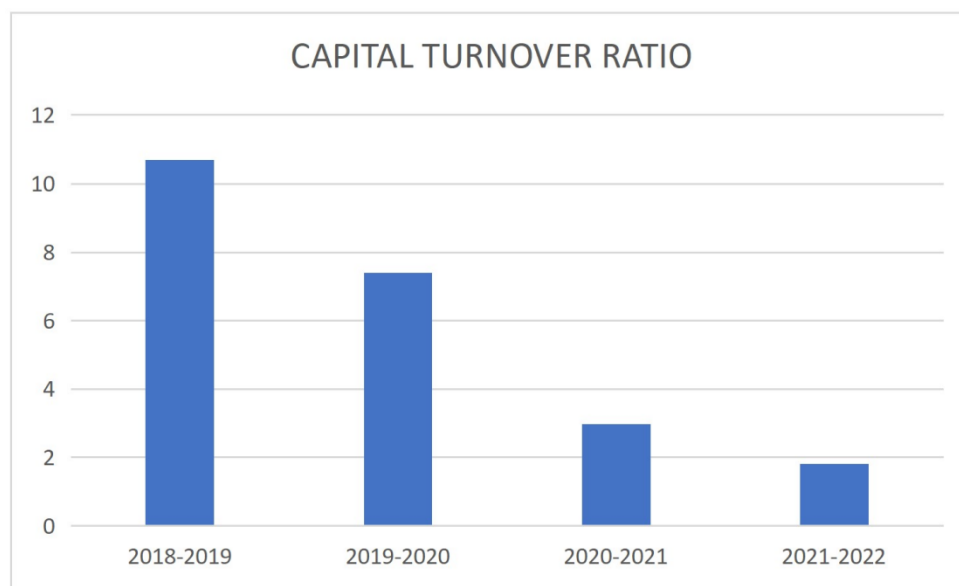
Interpretation:

From the above table it is inferred that, the Inventory Turnover Ratio increased in the year from 2019-2020 with 207.61 whereas, exceptionally low in the year 2018- 2019 with 60.76. It is noticed that year after year the Inventory Turnover ratio is fluctuating.

Table No: 4.9 Capital Turnover Ratio: Sales/Capital Employed(Rupees in Lakhs)

Year	Sales	Capital Employed	Ratios (In Times)
2018-2019	46105.11	4311.04	10.69466
2019-2020	66074.43	8925.95	7.40251
2020-2021	63265.88	21232.68	2.979646
2021-2022	44395.88	24510.41	1.811307
2022-2023	162914.96	42030.34	3.876128

Chart no : 4.9



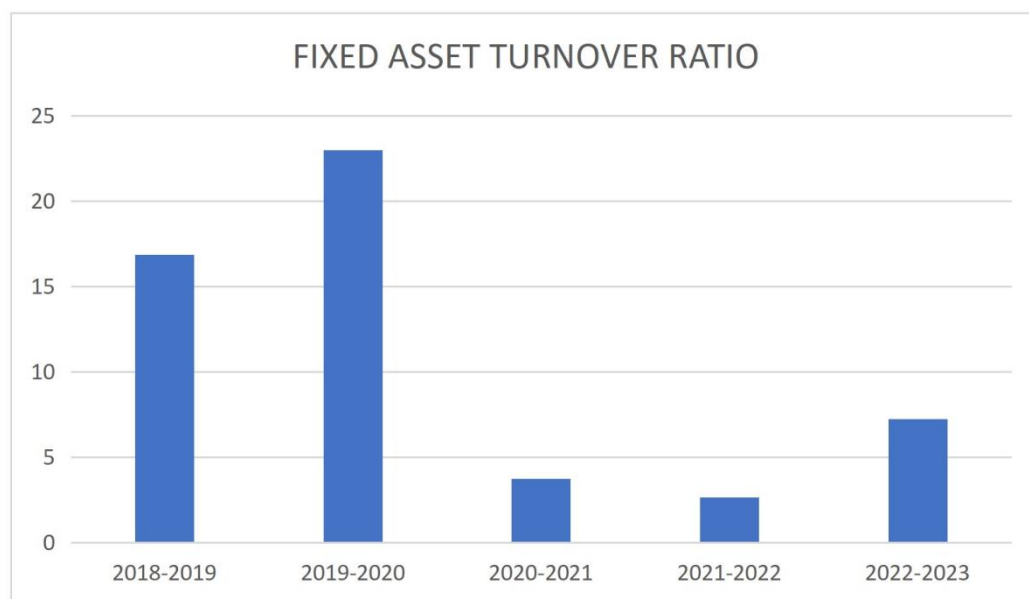
Interpretation:

From the above table it is inferred that, the Capital Turnover Ratio increased in the year from 2018-2019 with 10.69 whereas, exceptionally low in the year 2021-2022 with 1.81. It is noticed that year after year the Capital Turnover ratio is fluctuating.

Table No: 4.10Fixed Asset Turnover Ratio: Sales/Average Fixed Asset(Rupeesin Lakhs)

Year	Sales	Fixed Asset	Ratios (InTimes)
2018-2019	46105.11	2737.18	16.84402
2019-2020	66074.43	2874.42	22.98705
2020-2021	63265.88	17047.82	3.711083
2021-2022	44395.88	16748.19	2.650787
2022-2023	162914.96	22614.21	7.204097

Chart no : 4.10



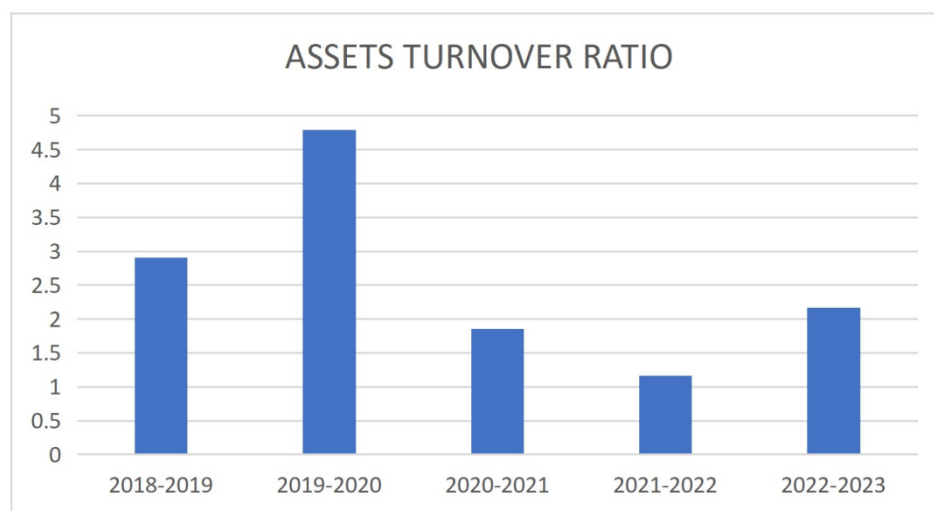
Interpretation:

From the above table it is inferred that, the Fixed Asset Turnover Ratio increased in theyear from 2019-2020 with 22.98. whereas, exceptionally low in the year 2021-2022 with 2.65. It is noticed that year after year the Fixed Asset Turnover ratio is fluctuating.

Table No: 4.11 Asset Turnover Ratio: Net sales/Average Total Assets (Rupees in Lakhs)

Year	Sales	Average Total Assets	Ratios (In Times)
2018-2019	46105.11	15855.32	2.907864
2019-2020	66074.43	13796.88	4.789085
2020-2021	63265.88	34139.82	1.85314
2021-2022	44395.88	38093.46	1.165446
2022-2023	162914.96	75205.11	2.166275

Chart no : 4.11



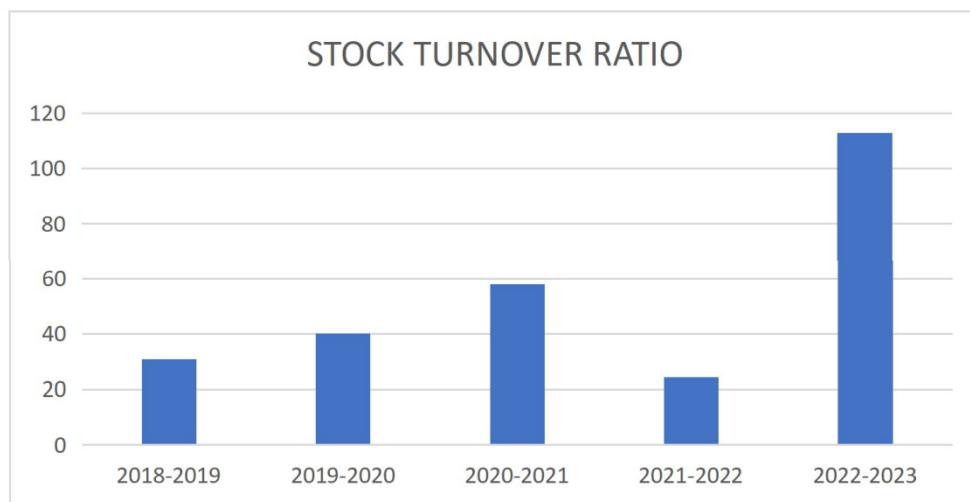
Interpretation:

From the above table it is inferred that, the Asset Turnover Ratio increased in the year from 2019-2020 with 4.78 whereas, exceptionally low in the year 2021-2022 with 1.16. It is noticed that year after year the Asset Turnover ratio is fluctuating.

Table No: 4.12 Stock Turnover Ratios: COGS/Average Inventory (Rupees in Lakhs)

Year	COGS	Inventories	Ratios (InTimes)
2018-2019	23334.89	758.69	30.75682
2019-2020	12734.34	318.25	40.01364
2020-2021	31835.46	548.64	58.02614
2021-2022	18070.52	746.47	24.20797
2022-2023	122062.32	1081.40	112.8743

Chart no : 4.12



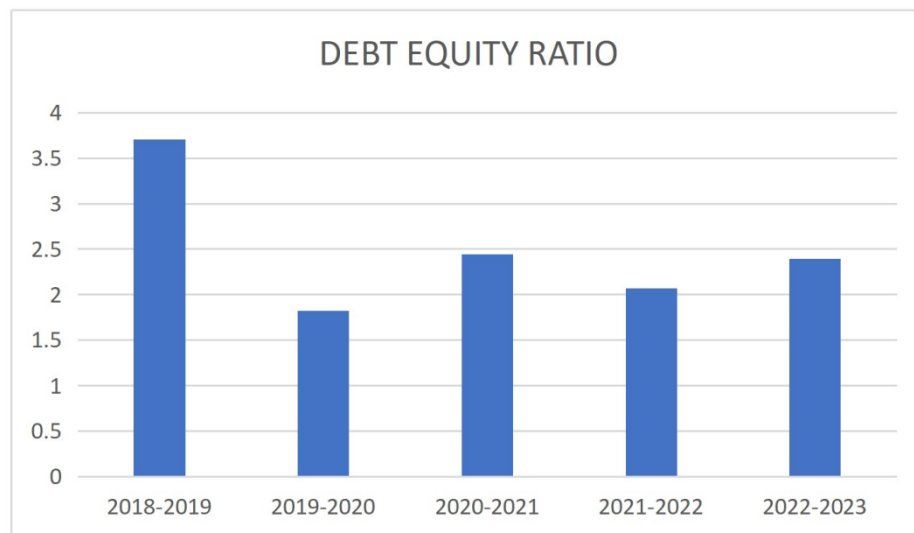
Interpretation:

From the above table it is inferred that, the Stock Turnover Ratio increased in the year from 2022-2023 with 112.87 whereas, exceptionally low in the year 2021-2022 with 24.20. It is noticed that year after year the Stock Turnover ratio is Fluctuating.

Table No: 4.13Debt Equity Ratios: Long Term Debt/Shareholders Fund (Rupeesin Lakhs)

Year	Long Term Debt	Total Shareholder's fund	Ratio (In Rupees)
2018-2019	15855.32	4277.48	3.706696
2019-2020	13796.88	7585.53	1.818842
2020-2021	34139.82	13957.01	2.44607
2021-2022	38093.46	18396.23	2.070721
2022-2023	75205.12	31439.66	2.392046

Chart no : 4.13



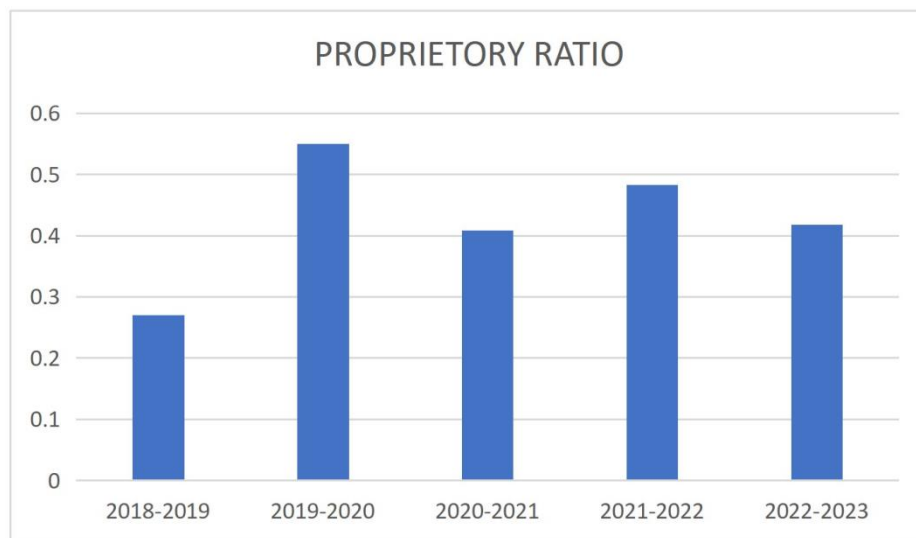
Interpretation:

From the above table it is inferred that, the Debt Equity Ratio increased in the yearfrom 2018-2019 with 3.70 whereas, exceptionally low in the year 2019-2020 with 1.81. It is noticed that year after year the Debt Equity Ratio is fluctuating.

Table No: 4.14 Proprietary Ratios: Shareholders' Funds/Total Tangible Asset(Rupees in Lakhs)

Year	Total Shareholder's fund	Total Asset	Ratios (In Rupees)
2018-2019	4277.48	15855.32	0.269782
2019-2020	7585.53	13796.88	0.5498
2020-2021	13957.01	34139.82	0.408819
2021-2022	18396.23	38093.46	0.482924
2022-2023	31439.66	75205.11	0.418052

Chart no : 4.14



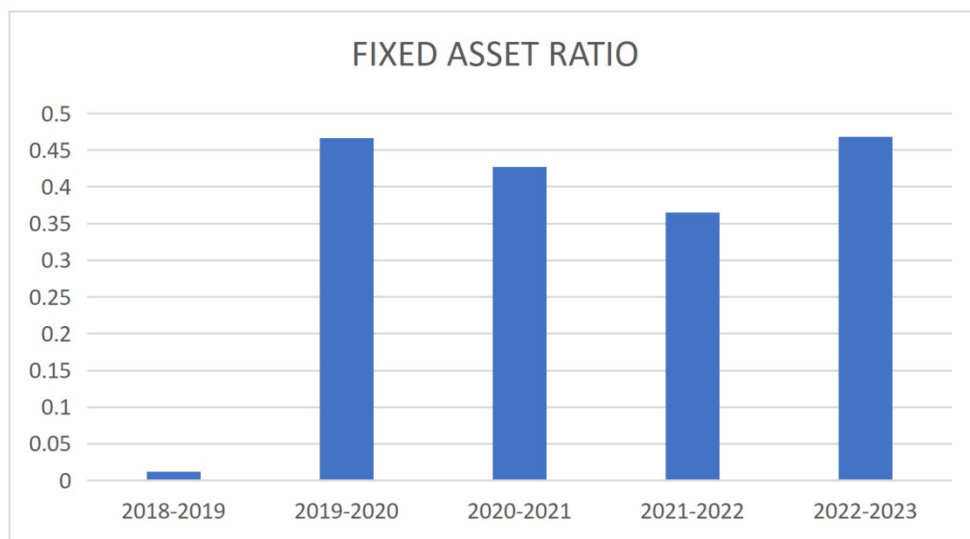
Interpretation:

From the above table it is inferred that, the Proprietary Ratio increased in the year from 2019-2020 with 0.54 whereas, exceptionally low in the year 2018-2019 with 0.26. It is noticed that year after year the Proprietary Ratio is fluctuating.

Table No: 4.15 Fixed Asset Ratio: Fixed Assets/Long Term Funds (Rupees in Lakhs)

Year	Long Term Funds	Fixed Asset	Ratios (In Rupees)
2018-2019	33.57	2737.18	0.012264
2019-2020	1340.42	2874.42	0.466327
2020-2021	7275.65	17047.82	0.426779
2021-2022	6114.18	16748.19	0.365065
2022-2023	10590.67	22614.21	0.468319

Chart no : 4.15



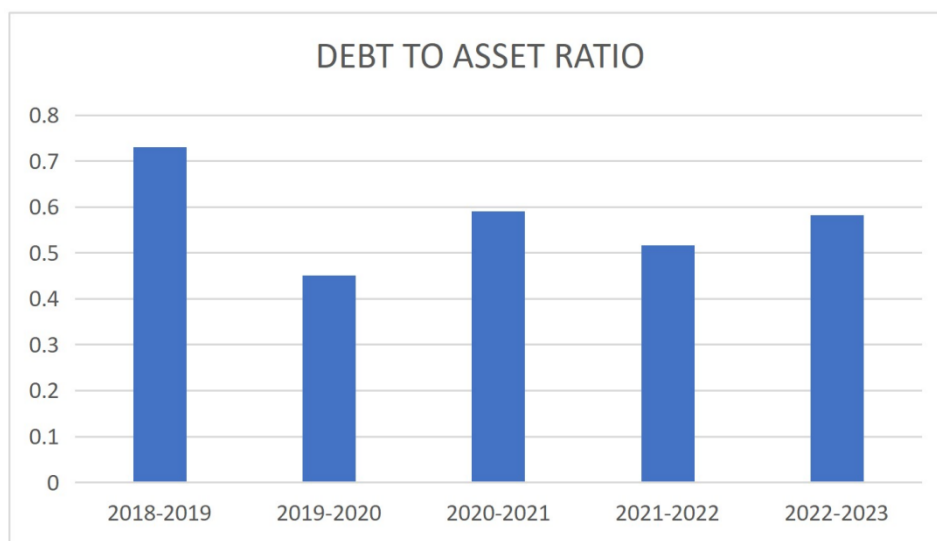
Interpretation :

From the above table it is inferred that, the Fixed Asset Ratio increased in the year from 2022-2023 with 4.68 whereas, exceptionally low in the year 2018-2019 with 0.01. It is noticed that year after year the Debt to Asset Ratio is fluctuating.

Table No: 4.16 Debt to Asset Ratio: Total debts/Total assets (Rupees in Lakhs)

Year	Total Debt	Total Assets	Ratios (In Rupees)
2018-2019	11577.85	15855.32	0.730219
2019-2020	6211.35	13796.88	0.4502
2020-2021	20182.79	34139.82	0.59118
2021-2022	19697.23	38093.46	0.517076
2022-2023	43765.47	75205.11	0.581948

Chart no : 4.16



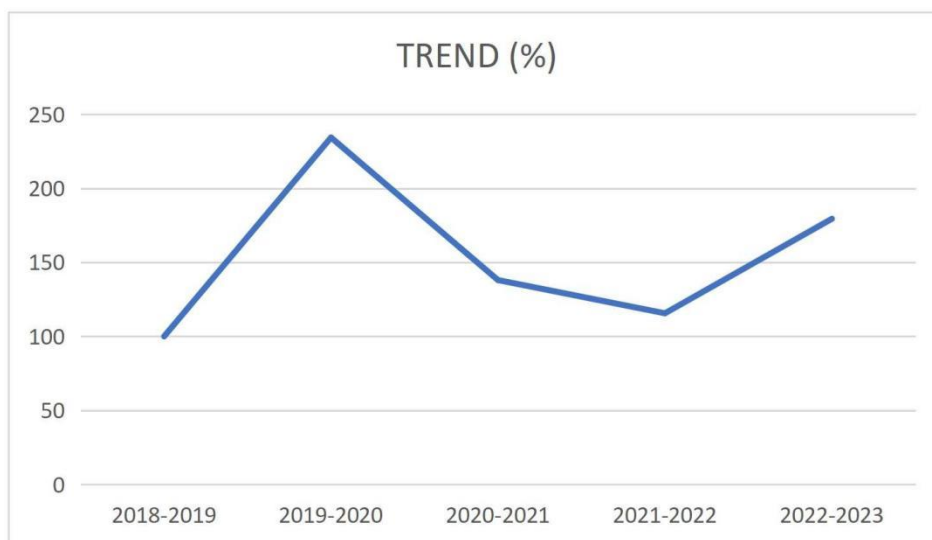
Interpretation :

From the above table it is inferred that, the Debt to Asset Ratio increased in the year from 2018-2019 with 0.73 whereas, exceptionally low in the year 2019-2020 with 0.45. It is noticed that year after year the Debt to Asset Ratio is fluctuating.

TREND ANALYSIS:

Trend Percentage of Gross Profit Ratio (Rupees in Lakhs)

Year	Gross Profit	Trend (%)
2018-2019	22770.22	100
2019-2020	53340.09	234.25
2020-2021	31430.42	138.03
2021-2022	26325.36	115.61
2022-2023	40852.64	179.41

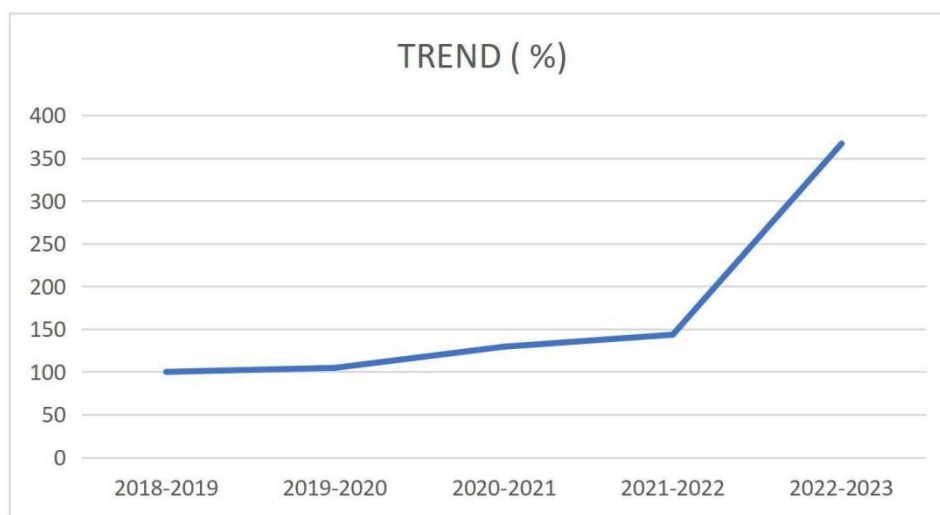


Interpretation:

It can be inferred from the above table that the gross profit has gradually increased in the year 2019-2020 and decreasing the gross profit in the year 2021-2022 the gross profit is has been fluctuating in the following years.

Trend Percentage of Net Profit Ratio(Rupees in Lakhs)

Year	Net Profit	Trend (%)
2018-2019	3163.41	100
2019-2020	3313.26	104.73
2020-2021	4094.33	129.42
2021-2022	4538.99	143.48
2022-2023	11606.35	366.89

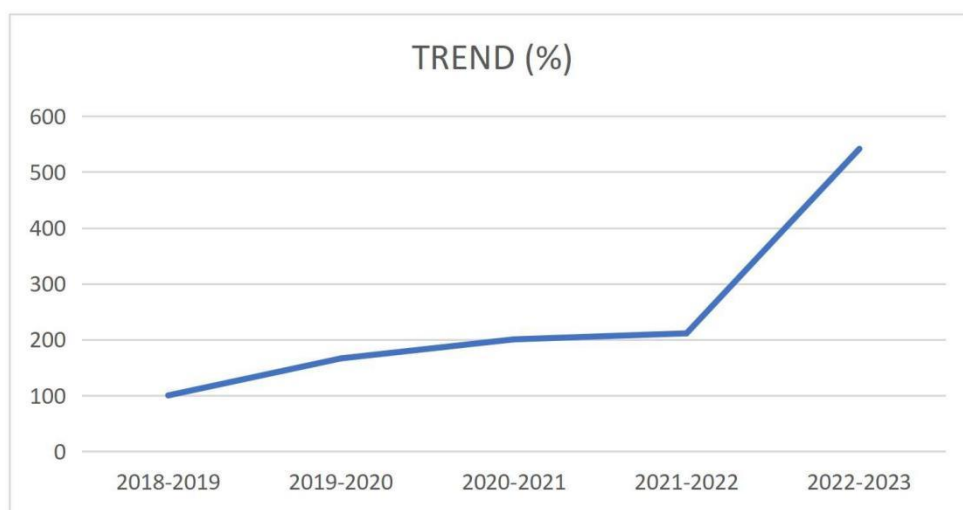


Interpretation:

It can be inferred from both the table and graph that the company's highest Net profit has been achieved in the period 2022-23. The Net profit has been increasing the following years.

Trend Percentage of Operating Profit Ratio(Rupees in Lakhs)

Year	operating profit	Trend (%)
2018-2019	2886.97	100
2019-2020	4802.66	166.35
2020-2021	5785.79	200.41
2021-2022	6097.94	211.22
2022-2023	15638.89	541.70



Interpretation:

It can be inferred from both the table and graph that the company's highest operating profit has been achieved in the period 2022-23. The operating profit has been increasing in the following years.

COMPARATIVE BALANCE SHEET FOR THE YEAR 2018 – 2019 COMPARATIVE BALANCE SHEET FOR THE YEAR 2018– 2019 (Rupees in Lakhs)

Particulars	2019	2018	Absolute change	Percentage change
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	1,485.57	1,430.87	54.70	3.822849036
(a) Intangible	2.21	-	0.00	0
(a) Capital Work in Progress	26.68	-	0.00	0
(b) Non-current financial assets				
(i) Investments	5	5	0.00	0
(ii) Trade receivables	-	-	0.00	0
(iii) Other non current financialassets	61.03	105.48	-44.45	-42.14069018
(d) Deferred Tax Assets	905.43	303.21	602.22	198.6148214
(d) Other Non current assets	251.26	-	0.00	0
Current assets				
(a) Inventories	758.69	522.6	236.09	45.17604286
(b) Financial Assets				
(i) Trade receivables	8,749.67	3,651.37	5,098.30	139.6270441
(ii) Cash and cash equivalents	386.8	69.36	317.44	457.6701269
(iii) Bank Balances otherthan(ii)above	-	-	0.00	0
(iv) Other current financialassets	798.56	3,537.20	-2,738.64	-77.42395115
(c) Current Tax Assets (Net)	109.75	98.67	11.08	11.22935036
(d) Other current assets	2,314.67	27.2	2,287.47	8409.816176
Total Assets	15,855.32	9,750.96	6,104.36	62.60265656
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	1,547.52	1,547.52	0.00	0

(b) Other Equity	2,729.96	433.38	2,296.58	529.9229314
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Long term Borrowings	17.92	4,094.56	-4,076.64	-99.56234614
(I) Other(s)	-	-	0.00	0
(b) Deferred Tax Liabilities	-	17.44	0.00	0
b) Long Term provisions	15.65	31.27	-15.62	-49.9520307
Current liabilities				
(a) Financial Liabilities				
(i) Short term Borrowings	-	-	0.00	0
(ii) Trade payables	10,117.89	4,140.51	5,977.38	144.3633755
(iii) Other financial liabilities	45.79	51.23	-5.44	-10.61877806
(b) Other current liabilities	1,380.60	301.8	1,078.80	357.4552684
Total Equity and Liabilities	15,855.32	9,750.96	6,104.36	62.60265656

COMPARATIVE BALANCE SHEET FOR THE YEAR 2019 – 2020

COMPARATIVE BALANCE SHEET FOR THE YEAR 2019– 2020 (Rupees in

Lakhs)

Particulars	2020	2019	Absolute change	Percentage change
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	1,491.75	1,485.57	6.18	0.416001939
(b) Right of use assets	701.99	-	0.00	0
(c) Intangible	-	2.21	0.00	0

(d) Capital Work in Progress	-	26.68	0.00	0
(e) Non-current financial assets				
(i) Investments	5	500	-495.00	-99
(ii) Trade receivables			0.00	0
(iii) Other non current financialassets	59.54	61.03	-1.49	-2.441422251
(f) Deferred Tax Assets	183.57	905.43	-721.86	-79.72565521
(g) Other Non current assets	432.57	251.26	181.31	72.16031203
Current assets				
(a) Inventories	318.25	758.69	-440.44	-58.05269609
(b) Financial Assets				
(i) Trade receivables	7,227.27	8,749.67	-1,522.40	-17.39951335
(ii) Cash and cash equivalents	2,095.17	386.8	1,708.37	441.6675284
(iii) Bank Balances other than (ii)above			0.00	0
(iv) Other current financial assets	911.3	798.56	112.74	14.11791224
(c) Current Tax Assets (Net)	-	109.75	0.00	0
(d) Other current assets	370.47	2,314.67	-1,944.20	-83.99469471
Total Assets	13,796.88	15,855.32	-2,058.44	-12.98264557
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	1,547.52	1,547.52	0.00	0
(b) Other Equity	6,038.01	2,729.96	3,308.05	121.1757681
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Long term Borrowings		17.92	-17.92	-100
(ii) Lease Liability	613.96		0.00	0
(b) deferred Tax Liabilities			0.00	0
(c) Long Term provisions	726.46	15.65	710.81	4541.916933
Current liabilities				
(a) Financial Liabilities				
(i) Short term Borrowings	171.9		0.00	0
(ii) Lease Liability	116.22		0.00	0
(iii) Trade payables	4,120.23	10,117.89	-5,997.66	-59.27777432
(iv) Other financial liabilities	55.48	45.79	9.69	21.16182573
(b) Other current liabilities	407.1	1,380.60	-973.50	-70.51282051
Total Equity and Liabilities	13,796.88	15,855.32	-2,058.44	-12.98264557

COMPARATIVE BALANCE SHEET FOR THE YEAR 2020 – 2021 COMPARATIVE BALANCE SHEET FOR THE YEAR 2020– 2021 (Rupees in Lakhs)

Particulars	2021	2020	Absolute change	Percentage change
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	1,529.77	1,491.75	38.02	2.548684431
(b) Right of use assets	7,148.55	701.99	6,446.56	918.3264719
(c) Intangible	-	-	0.00	0
(d) Capital Work in Progress	-	-	0.00	0
(e) Non-current financial assets				
(i) Investments	7,405	5	7,400.00	148000
(ii) Trade receivables			0.00	0
(iii) Other non current financial assets	700	700	0.00	0
(f) Deferred Tax Assets	264.5	183.57	80.93	44.08672441
(g) Other Non current assets	-	-	0.00	0
Current assets				
(a) Inventories	548.64	318.25	230.39	72.39277298
(b) Financial Assets				
(i) Trade receivables	9,295.79	7,227.27	2,068.52	28.62104225
(ii) Cash and cash equivalents	1,724.45	2,095.17	-370.72	-17.6940296
(iii) Bank Balances other than (ii) above	-	-	0.00	0
(iv) Other current financial assets	5043.03	270.85	4,772.18	1761.927266
(c) Current Tax Assets (Net)	-	-	0.00	0
(d) Other current assets	480.08	803.04	-322.96	-40.21717474
Total Assets	34,139.82	13,796.88	20,342.94	147.4459443
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	2,100.20	1,547.52	552.68	35.71391646
(b) Other Equity	11,856.81	6,038.01	5,818.80	96.36949922
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Long term Borrowings	8.98	-	0.00	0
(ii) Lease Liability	6,318.13	613.96	5,704.17	929.0784416
(b) Deferred Tax Liabilities	-	-	0.00	0
(c) Long Term provisions	948.54	608.79	339.75	55.80742128
Current liabilities				
(a) Financial Liabilities				
(i) Short term Borrowings	1.98	171.9	-169.92	-98.84816754
(ii) Lease Liability	1,086.26	116.22	970.04	834.6584065

(iii) Trade payables	10,038.35	4,120.23	5,918.12	143.6356708
(iv) Other financial liabilities	36	55.48	-19.48	-35.11175198
(b) Other current liabilities	1,744.55	524.77	1,219.78	232.4408789
Total Equity and Liabilities	34,139.82	13,796.88	20,342.94	147.4459443

COMPARATIVE BALANCE SHEET FOR THE YEAR 2021 – 2022 COMPARATIVE BALANCE SHEET FOR THE YEAR 2021– 2022 (Rupees in Lakhs)

Particulars	2022	2021	Absolute change	Percentage change
ASSETS				
Non-current assets				
a) Property, Plant and Equipment	1,989.93	1,529.77	460.16	30.08033887
b) Right of use assets	6507.75	7,148.55	-640.80	-8.964055648
c) Intangible	5.18	-	0.00	0
d) Capital Work in Progress	39.48	-	0.00	0
e) Non-current financial assets				
(i) Investments	7400	7,405.00	-5.00	-0.067521945
(ii) Trade receivables	-	-	0.00	0
(iii) Other non current financial assets	700	700	0.00	0
Deferred Tax Assets	100.03	264.5	-164.47	-62.18147448
Other Non current assets	5.82	-	0.00	0
Current assets			0.00	0
(a) Inventories	746.47	548.64	197.83	36.05825314
(b) Financial Assets				
(i) Trade receivables	11,642.54	9,295.79	2,346.75	25.24529922
(ii) Cash and cash equivalents	99.03	1,724.45	-1,625.42	-94.25729943
(iii) Bank Balances other than (ii) above	-	-	0.00	0
(iv) Other current financial assets	8,060.33	5,043.03	3,017.30	59.83109361
(c) Current Tax Assets (Net)	-	-	0.00	0
(d) Other current assets	796.9	480.08	316.82	65.99316781

Total Assets	38,093.46	34,139.82	3,953.64	11.5807289
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	2,100.20	2,100.20	0.00	0
(b) Other Equity	16,296.03	11,856.82	4,439.21	37.44013994
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Long term Borrowings	102.6	8.98	93.62	1042.538976
(ii) Lease Liability	5,930.61	6,318.13	-387.52	-6.133460375
(b) Deferred Tax Liabilities	-	-	0.00	0
(c) Long Term provisions	80.97	948.54	-867.57	-91.4637232
Current liabilities				
(a) Financial Liabilities				
(i) Short term Borrowings	1,405.05	1.98	1,403.07	70862.12121
(ii) Lease Liability	1,071.79	1,086.26	-14.47	-1.332093606
(iii) Trade payables			0.00	0
Total outstanding dues of micro enterprise and small enterprises	296.21	376.43	-80.22	-21.31073506
Total outstanding dues other than micro enterprise and small enterprises	7,429.18	9,661.93	-2,232.75	-23.10873707
(iv) Other financial liabilities	5.57	-	0.00	0
(b) Other current liabilities	3,375.25	1,780.55	1,594.70	89.56221392
Total Equity and Liabilities	38,093.46	34,139.82	3,953.64	11.5807289

COMPARATIVE BALANCE SHEET FOR THE YEAR 2022 – 2023 COMPARATIVE BALANCE SHEET FOR THE YEAR 2022– 2023(Rupees in Lakhs)

Particulars	2023	2022	Absolute change	Percentage change
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	8,614.19	1,989.93	6,624.26	332.8890966
(b) Right of use assets	6,057.31	6,507.75	-450.44	-6.921593485
(c) Intangible	4.65	5.18	-0.53	-10.23166023
(d) Capital Work in Progress	324.78	39.48	285.30	722.6443769
(e) Non-current financial assets				

(i) Investments	7,385.27	7,400.00	-14.73	-0.199054054
(ii) Other non current financial assets	-	700	0.00	0
(f) Deferred Tax Assets	192.28	100.03	92.25	92.2223333
(g) Other Non current assets	35.77	3.64	32.13	882.6923077
Current assets				
(a) Inventories	1,081.40	746.47	334.93	44.86851447
(b) Financial Assets			0.00	0
(i) Trade receivables	24,516.51	11,642.54	12,873.97	110.5769875
(ii) Cash and cash equivalents	1,017.63	28.85	988.78	3427.313692
(iii) Other current financial assets	8,401.09	8,130.51	270.58	3.327958517
(c) Contract Asset	3,607.67	-	0.00	0
(d) Current Tax Assets (Net)	-	-	0.00	0
(e) Other current assets	13,966.57	799.08	13,167.49	1647.831256
Total Assets	75,205.12	38,093.46	37,111.66	97.4226547
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	2,210.70	2,100.20	110.50	5.261403676
(b) Other Equity	29,228.95	16,296.03	12,932.92	79.36239685
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Long term Borrowings	4,045.78	102.6	3,943.18	3843.255361
(ii) Lease Liability	6,497.64	6,759.56	-261.92	-3.874808419
(b) Long Term provisions	47.25	80.97	-33.72	-41.64505372
Current liabilities				
(a) Financial Liabilities				
(i) Short term Borrowings	4,112.24	1,405.05	2,707.19	192.6757055
(ii) Lease Liability	261.58	242.84	18.74	7.717015319
(iii) Trade payables			0.00	0
Total outstanding dues of micro enterprise and small enterprises	389	296.21	92.79	31.32574862
Total outstanding dues other than micro enterprise and small enterprises	18,869.56	7,429.18	11,440.38	153.9924998
(iv) Other financial liabilities	409.68	226.58	183.10	80.81030982
(b) Other current liabilities	9,132.74	3,154.23	5,978.51	189.5394439
Total Equity and Liabilities	75,205.12	38,093.46	37,111.66	97.4226547

5.1 SUGGESTIONS:

- The company has to Focus on stabilizing liquidity ratios by managing current assets more efficiently, particularly during the periods of fluctuation observed in the current, quick and cash ratios.
- To Enhance Profitability it must Improve profitability by enhancing operational efficiency, reducing costs, and increasing revenue streams. This may involve revisiting pricing strategies, optimizing production processes, and exploring new market opportunities.
- It is suggested that Streamline operations and reduce inefficiencies to optimize asset utilization. This includes minimizing excess inventory, improving sales and distribution channels, and investing in technologies to enhance productivity.
- To Maintain a balanced capital structure the company must manage debt levels effectively and optimizing equity contributions. Consider refinancing debt, negotiating favorable terms, and exploring equity financing options to strengthen financial stability.
- The company must strengthen and Develop a comprehensive long-term financial planning framework. This involves conducting and financial forecasts enabling informed strategic decision-making. Additionally, the company should focus on diversifying revenue streams, investing in research and development for product innovation, and exploring strategic partnerships or acquisitions to fuel growth and mitigate risks.

5.2 CONCLUSION:

Based on the findings and suggestions derived from the financial performance analysis of Refex Industries Limited, it's evident that the company has experienced fluctuations across various key financial ratios over the years. These fluctuations indicate areas of both strength and opportunity for improvement within the organization. To ensure future growth and stability, Refex Industries Limited should prioritize actions to stabilize liquidity ratios, enhance profitability through cost-cutting measures and revenue enhancement strategies, optimize asset utilization, and strengthen inventory management practices. Additionally, prudent management of debt levels, focus on operational efficiency, monitoring of market trends, investment in research and development, and nurturing talent development should be integral components of the company's strategic initiatives. By addressing these areas, Refex Industries Limited

can position itself for sustainable growth, improve its competitive position in the market, and navigate future challenges effectively.

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