

A Study on Financial Performance Analysis of Rydon Industries PVT LTD at Coimbatore

SUBASH A, Mr.G.RAJKUMAR, Assistant Professor

Gnanamani college of Technology, Namakkal

ABSTRACT

In this project we are looking at the Financial Performance Analysis in an automobile industry. Balance sheet review of the last five years along with the changes in the component wise analysis of Current Asset and Current Liabilities to identify the causes of changes, with trend analysis and comparative Balance sheet for a term of five years covering a case study of a company to establish "The story of revival of a sick company". In the words of Myers, "Financial Performance Analysis is largely a study of relationship among the various financial factors in a business as disclosed by a single set of statements and a study of the trends of these factors as shown in a series of statements." The purpose of financial analysis is to diagnose the information content in financial statements so as to judge the profitability and financial soundness of the firm. In this project we will perform the financial analysis of the industry we will go through the financial statements of the company to diagnose financial soundness.

INTRODUCTION OF THE STUDY

Financial is the life blood of business. It is very important for industry and commerce as lubricant for wheels, marrow for bones and blood for arteries. In modern time, no trade, industry or commerce can operate its activities without finance. Finance is needed for establishing developing and operating the business efficiency without proper financing, even the best project remains a futile exercise and if the project is put into operation, many problem crop up in its execution and control. Sometimes it is not the inadequate finance which is the cause of business, but the mismanagement of resources which is ultimately responsible for it. The survival and growth of a firm is possible only if it utilizes its funds in a right manner. Therefore, it is correct to say that without efficiency financial management no business can prosper and grow. Hence the success of a business depends on proper supply of finance and its efficient management. Financial performance analysis describes the methods that those examining the affairs of a business use to evaluate and assess its financial activity. Financial performance refers to the overall financial health of the business. Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. The term is also used as a general measure of a firm's overall financial health over a given period.

STATEMENT OF THE PROBLEM

Finance is considered as the lifeblood of an organization to run the concern efficiently. There is a close relationship between the finance function and other functions like production, marketing, personnel etc. therefore it is critical for the survival and growth of any organization. "Financial Performance Analysis" is an attempt to examine the various financial aspect of the business organization. The study is mainly connected with the Finance Department of the company. This study helps; even a layman to understand what the present positions of the company is on several aspects like liquidity, solvency, efficiency etc...which cannot be understood easily by going through the audited financial reports of the company. The present study attempts to investigate various aspects of financial management of the company to judge the profitability and financial soundness of the firm

OBJECTIVES OF THE STUDY

The major objectives of the recent study are to know about financial strengths and weakness of Rydon industry through the financial performance analysis. The main objective of recent study is aimed as:

- To evaluate the performance of the company on the basis of profitability.

- To examine the liquidity, profitability and solvency positions of the company during the study period.
- To analyse the financial structure & operating performance of the company.
- To offer valuable suggestions for improving the financial performance of the company

SCOPE OF THE STUDY

The study is conducted only in Rydon industry. The study is done based on the annual reports and the analysis is done only for financial year's form 2020-21 to 2024-25. Research has used only profit and loss account and balance sheet for doing the analysis. Results are interpreted only on the basis of analysis. Research has used only profit and loss account and balance sheet for doing the analysis. Results are interpreted only on the basis of analysis. The study is identified after and during the study is conducted. The main scope of the study was to put into practical the theoretical aspect of the study into real life work experience

LIMITATONS OF THE STUDY

- The study has been conducted only in Rydon industry for the purpose of measuring the financial performance.
- The study covers only limited duration that is five years only from 2020-21 to 202425 due to the limited time available for researcher.
- Analysis and discussions are based are based only on the secondary data which were collected from the annual report of the company at Coimbatore.

REVIEW OF LITERATURE

Andrea Undried all (2024) attempt to analyses both concept and research based studies. Performance analysis may be regarded as the lifeblood of any business unit. Its effective management can do much more to the success of the business while its ineffective management will undoubtedly lead to failure of the business. It is in this context that the management of performance analysis assumes paramount importance. In the present scenario of competition, the business does not have any other option than reducing the cost of its operations in order to survive and continue to be financially healthy.

Abbas Kebritchi ed all (2025) from the analysis it was found that the overall financial performance of the company was moderate. This was due to steep rise in the raw material costs and largely driven by demand and supply conditions as also directly proportional to automobile sales to some extent. From this study it says that profitability analysis study reveals the performance of a company in all aspects because efficient management of other aspects will result in profit. The industries limited are one of the market leaders Indian market. It is one of the oldest automobile companies in India. The results of the profitability analysis of the company were not good.

Pieter J.H. van Beukering (2025) company can cause significant environmental pressure through the life cycle. The main aim of this paper is investigate to what extent international policy measures on foreign trade; international recycling and harmonisation of legislation can contribute in effectively reducing environmental pressure caused in the product life cycle.

RESEARCH METHODOLOGY

A research methodology describes the techniques and procedures used to identify and analyse information regarding a specific research topic. It is a process by which researchers design their study so that they can achieve their objectives using the selected research instruments

RESEARCH DESIGN

Research is a process in which the researchers wish to find out the end result for a given problems and thus the solution helps in future course of action. The research has been defined as "A careful investigation or enquiry especially through search for new facts in branch of knowledge"

RESEARCH DESIGN

The research design of the present study is analytical design.

SOURCES OF DATA

Only the secondary data has been used in project study. The research himself being an external one and doing study as a part of curriculum had to depend mainly upon secondary data for the different aspects. Hence the data required for the study were collected mostly from the annual report manuals and accounts of Rydon Industries Pvt Ltd, and various magazines and journals.

PERIOD OF THE STUDY

The data were collected for five years from 2020-21 to 2024-25.

WORKS OF ANALYSIS

To arrive at research findings and the conclusion of the present study, ratio analysis, cash flow statement, fund flow statement and comparative balance sheet analysis have been used.

- Ratio analysis
- Trend analysis
- Comparative balance sheet

SUGGESTIONS

- In company total financial structure, debt is more than owner's equity. Here the company cannot meet outsider's liability. Hence the company has to take actions to equalize or increase proportion of equity to debt.
- The company debt collection period is very high so the company has to take adequate steps to reduce collection period.
- Weekly meeting or conference should be conducted by the company for discussion regarding the matters relating to the performance of the workers.
- The company has to develop zeal to increase its profit. The company should utilize the available resources in proper manner.
- The company assets in the form of loans and advances are to be verified and appropriate measures have to be taken for the collection of same time.
- The overall analysis reveals that the company performance all the year is good.

CONCLUSION

We can say that there should be an efficient financial management system in the Company. It should overcome the adverse condition and minimize its losses and protect firm from facing the negative condition of liquidity. In tomorrow's economy the world will belong to those who are open to creative, imaginative and flexible to changes, having open mindless, strength of taking risk and an innovative spirit. These entire characteristics can lead the Company on a successful path.

Based on this study the major findings are that from the overall finance point of view, the Company is performing to a very high degree level of achievement. This study indicates that in order to improve the overall performance of Company the management must take all possible steps to review and modify various policies, cash budgets, inventory status by using sound information management system. This will enable the management to have a close control over the various budgetary controls

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