International Journal of Scientific Research in Engineering and Management (IJSREM)
Volume: 08 Issue: 04 | April - 2024 SJIF Rating: 8.448 ISSN: 2582-3930

A Study on Financial Performance in Inventaa Led Light Private Limited

Karthik Kannan. P
Mba Student
School Of Management Studies,
Sathyabama Institute Of Science And Technology, Chennai.

Ms.S. Shanthini,
Assistant Professor,
School Of Management Studies,
Sathyabama Institute Of Science And Technology, Chennai.

ABSTRACT:

The project titled “A study on financial performance” conducted in Inventaa is to analyse the financial position of the Company. The objective of this project is to find out the efficiencyof the Company using financial ratios like profitability ratios, turnover ratio & solvency ratio of the Company, to find out the liquidity position of the Company, to study the performance of Company through comparative analysis and to provide suitable suggest improving the financial performance of the Company. The project is pertained to the Company’s data available for the past five years. The conclusionsare drawn from the analysis done with the ratios, comparative, common size study. The study elucidates the financial position of the Company with respect to the past five years. It helps the Company to place itself among various other competitive companies. The study through the analysis reveals the pros and cons of the Company’s financial status. It enables the reader to understand the various financial aspects of a Company through uncomplicated interpretation and findings for study purpose. Financial performance can improve the financial strength of Company. The Company’s liquidity position has to increase and it will solve future problem. The Company is maintaining the reserves and surplus better so it can face financial stress in the future. To proper maintain of financial performance to achieve the Company goal.

INTRODUCTION:

Financial Performance in broader sense refers to the degree to which financial objectives beingor has been accomplished and is an important aspect of finance risk management. It is the process of measuring the results of a firm's policies and operations in monetary terms. It is used to measure firm's overall financial health over a given period of time and can also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation.

Financial statements are primarily prepared for decision-making. They play a dominant role in setting the framework of managerial decision. The published financial statements of businessmay be of considerable interest to present the same to their respective potential shareholders, managers, moneylenders, banks, financial institutions, trade organization and many others.

OBJECTIVES OF THE STUDY

Primary Objectives

- The main aim of the study is to ascertain financial performance of INVENTAA forthe past five years.

Secondary Objectives

- To find out the efficiency of using financial ratios like profitability ratios, turnover ratio& solvency ratio.
- To find out the liquidity position.
- To study the performance of through comparative analysis.
- To provide suitable suggest to improve the financial performance.

RESEARCH METHODOLOGY

RESEARCH DESIGN: The proposed study is of DESCIRPTIVE IN NATURE. Research design is needed because it facilitates the smooth sailing of the various research operations,thereby making research as efficient as possible. A research design for a particularproblem usually involves the consideration of the following factors.

SOURCE OF INFORMATION: Basically, there are two sources of information. The researcher has collected secondary data for his study, the data was collected from sources like magazine, journals, Company reports and industrial magazines (annual reports).

REVIEW OF LITERATURE

- ✓ **Smith, J. (2020) "Evaluating Financial Performance: A Comprehensive Approach."** This article provides an overview of various financial performance indicators, highlighting the importance of integrating both profitability and liquidity ratios for a holistic assessment. Smith emphasizes the dynamic nature of financial analysis and proposes a model for adapting traditional metrics to modern business environments. Journal of Business and Finance, 34(2), pp. 150-175.
- ✓ **Chen, L., & Zhang, Y. (2018) "Impact of Management Practices on Financial Performance: Evidence from SMEs."** Chen and Zhang explore the direct correlation between strategic management practices and the financial health of small and medium-sized enterprises (SMEs). Using a quantitative methodology, they demonstrate that effective management can significantly enhance profitability and operational efficiency. International Journal of Entrepreneurial Behavior & Research, 24(6), pp. 1234-1256.
- ✓ **Garcia, M. (2021) "Technology's Role in Financial Performance Analysis."** This paper examines the growing importance of technology, especially data analytics and AI, in evaluating financial performance. Garcia presents case studies where technology-driven analysis provided deeper insights into financial health than traditional methods. Finance and IT Today, 12(3), pp. 45-60
- ✓ **Kumar, R., & Singh, A. (2019) "Globalization and Its Effects on Financial Performance Metrics: A Comparative Study."** Investigating the impact of globalization on financial performance, Kumar and Singh analyze data across multiple industries. They conclude that globalization has led to an increased emphasis on efficiency ratios and leverage ratios as key performance indicators. Journal of Global Economics, 16(4), pp. 789-807

- ✓ **Wilson, E. (2022)** Financial Performance in the Digital Age: Challenges and Opportunities, Wilson discusses the evolution of financial performance analysis in the context of digital transformation. Covering both the challenges and opportunities digitalization presents, the author provides insights into future trends in financial performance metrics. Cambridge University Press. In this book
- ✓ **Patel, D. & Kumar, V. (2017) "Leverage Ratios and Their Impact on Corporate Growth: A Longitudinal Study."** Patel and Kumar conduct a longitudinal analysis of the impact of leverage ratios on corporate growth, tracking companies in the manufacturing sector over a decade. Their findings suggest a nuanced relationship between debt levels and growth, highlighting the importance of industry context. Corporate Finance Review, 21(5), pp. 48-64.
- ✓ **O'Connor, E. & Li, M. (2019) "Sustainability and Financial Performance: A Review of Studies."** This review article synthesizes research on the relationship between sustainability practices and financial performance. O'Connor and Li conclude that companies with strong sustainability practices tend to exhibit superior financial performance, particularly in the long term. Journal of Sustainable Finance & Investment, 9(3), pp. 210-233.
- ✓ **Hughes, A. (2021) "Efficiency Ratios as Predictors of Financial Health in the Tech Industry."** Hughes explores the predictive power of efficiency ratios for financial health within the tech sector. Through a comparative analysis, the study reveals that certain efficiency ratios, notably inventory turnover and receivables turnover, are more indicative of financial health in the tech industry than in more traditional sectors. Technology and Finance, 15(1), pp. 112-130.
- ✓ **Thompson, B., & Rajan, R. (2020) "Economic Conditions and Financial Performance: A Meta-analysis."** In their meta-analysis, Thompson and Rajan examine the extent to which macroeconomic conditions influence corporate financial performance. The study aggregates findings from over 100 papers, providing evidence that economic cycles play a significant role in shaping financial outcomes. Economic Analysis and Policy, 68, pp. 297-310

DATA ANALYSIS & INTERPRETATION

4.1 RATIO ANALYSIS

4.1.1 PROPRIETARY RATIO

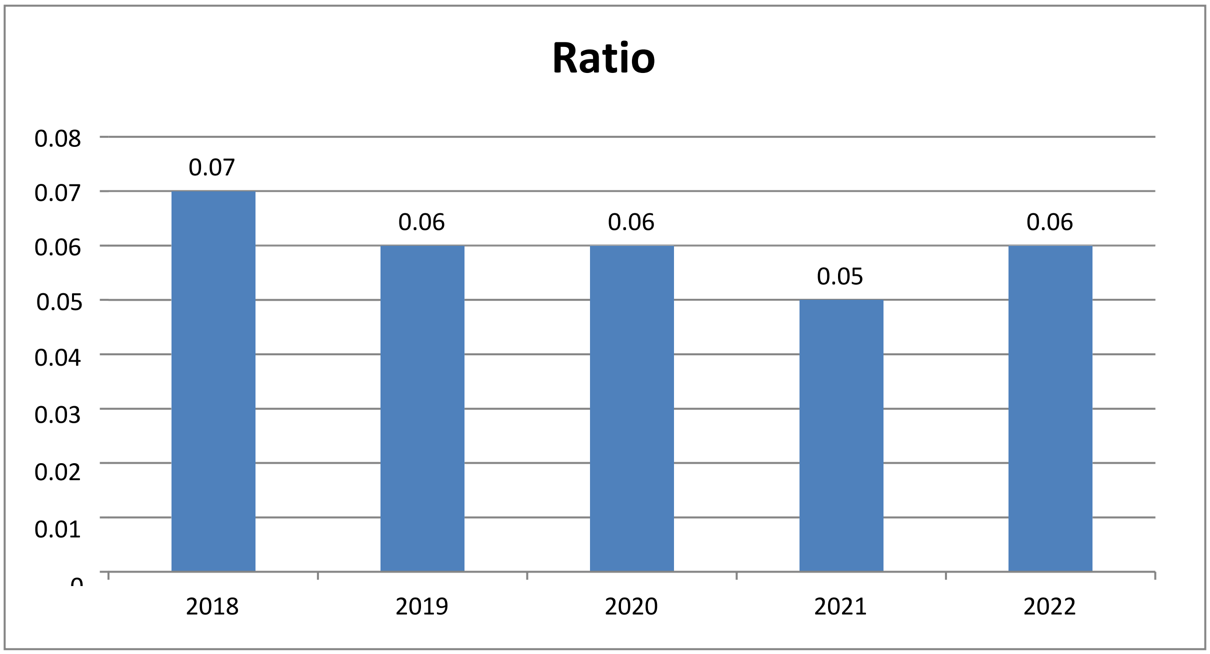
4.1.2 Proprietary Ratio shows the relationship between shareholders' funds to total assets of the concern. The shareholders' funds are equity share capital, preference share capital, undistributedprofits, reserves and surpluses.

$$\text{Proprietary Ratio} = \frac{\text{Shareholders' Funds}}{\text{Total Assets}}$$

TABLE 4.1.1 PROPRIETARY RATIO

Year	Shareholder fund	Total Asset	Ratio (Times)
2018	49032.66	721526.32	0.067957
2019	57947.70	964432.08	0.060085
2020	65949.20	1053413.74	0.062605
2021	64986.04	1223736.20	0.053105
2022	83951.20	1335519.24	0.062860

CHART 4.1.1 PROPRIETARY RATIO



SIGNIFICANCE

It shows that proprietary ratio was high in the year 2018 with 0.067957 and low in the year 2021 with 0.053105. Thus, it can be said that the Company is maintaining the long-term solvency. The current year (2022) proprietary ratio is found to be 0.06286 it is in a increasing position.

The Proprietory ratio which shows the relationship between the shareholder's funds to total tangible assets. The ratio is in the decreasing manner due to the fluctuation in the total asset.

4.1.2 CURRENT RATIO

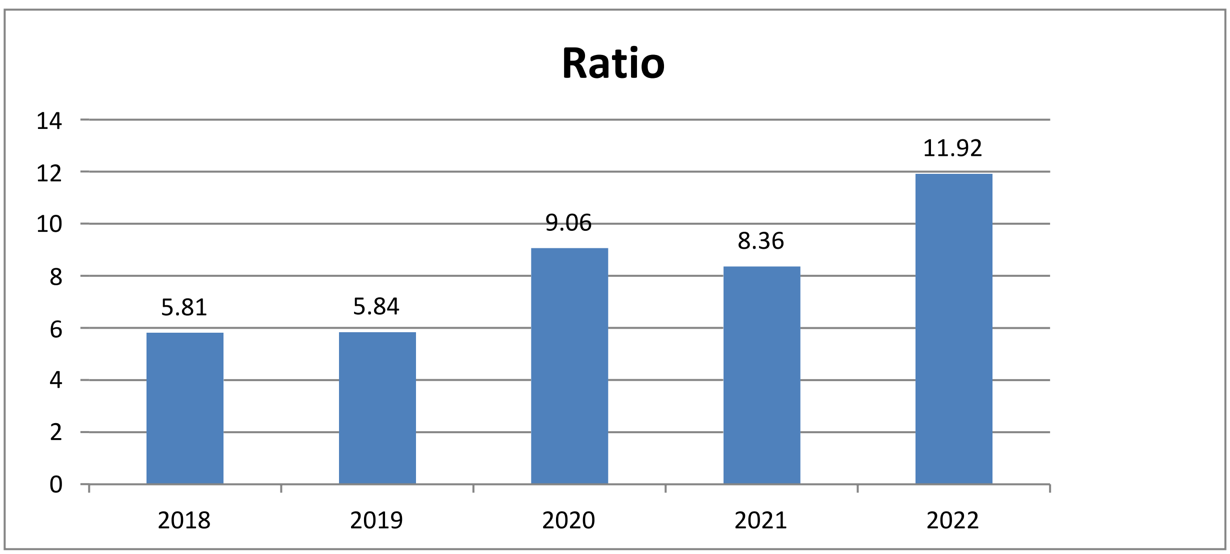
Current ratio is an index of the concern's financial stability. If a higher current ratio is an indication of in adequate employment of funds, a poor current ratio is a danger signal to the management.

$$\text{Current Assets ratio} = \frac{\text{Current Assets}}{\text{Current Liability}}$$

TABLE 4.1.2 CURRENT RATIO

Year	Current Asset	Current Liability	Current Ratio
2018	484234.54	83362.30	5.81
2019	646907.00	110697.57	5.84
2020	728098.00	80336.70	9.06
2021	879593.60	105248.39	8.36
2022	964742.06	80915.09	11.92

CHART 4.1.2 CURRENT RATIO



SIGNIFICANCE

It shows that current ratio was high in the year 2022 with 11.92and low in the year 2018 with 5.81. The current year (2022) current ratio is found to be the highest (11.92) due to the decreasein the liabilities. From the above table and chart the current ratio of the Company is fluctuating in manner. Although the Company has an increasing current asset the current liabilities is also fluctuating. Proper steps should be taken as such the ratio is less than 2 the Company may get difficult in paying the creditors.

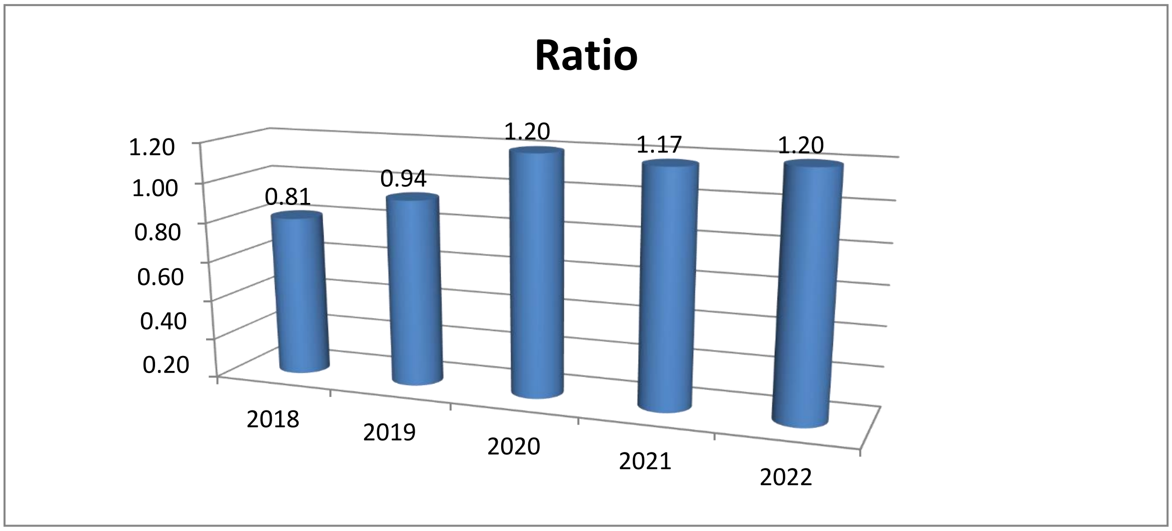
4.1.3 CASH POSITION RATIO: The cash ratio is a liquidity measure that shows a company's ability to cover its short-term obligations using only cash and cash equivalents. The cash ratio is derived by adding a company's total reserves of cash and near-cash securities and dividing that sum by its total current liabilities.

$$\textbf{Cash Position Ratio} = \frac{\textbf{Cash-Company}}{\textbf{Current liabilities}}$$

TABLE:4.1.3 CASH POSITION RATIO

Year	Cash-Company	Current liabilities	Ratio (Times)
2018	67,466.34	83362.30	0.81
2019	104,403.80	110697.57	0.94
2020	96,183.85	80336.70	1.20
2021	122,874.15	105248.39	1.17
2022	97,163.17	80915.09	1.20

CHART:4.1.3 CASH POSITION RATIO



SIGNIFICANCE

From the table, it is inferred that the cash position ratio is high in the years 2020 and 2022 with 1.20 and low in the year 2018 with 0.81. The current year (2022) cash position ratio has increased to 1.20 when compared to the previous year 2021 with 1.17.

4.1.4 EARNING PER SHARE

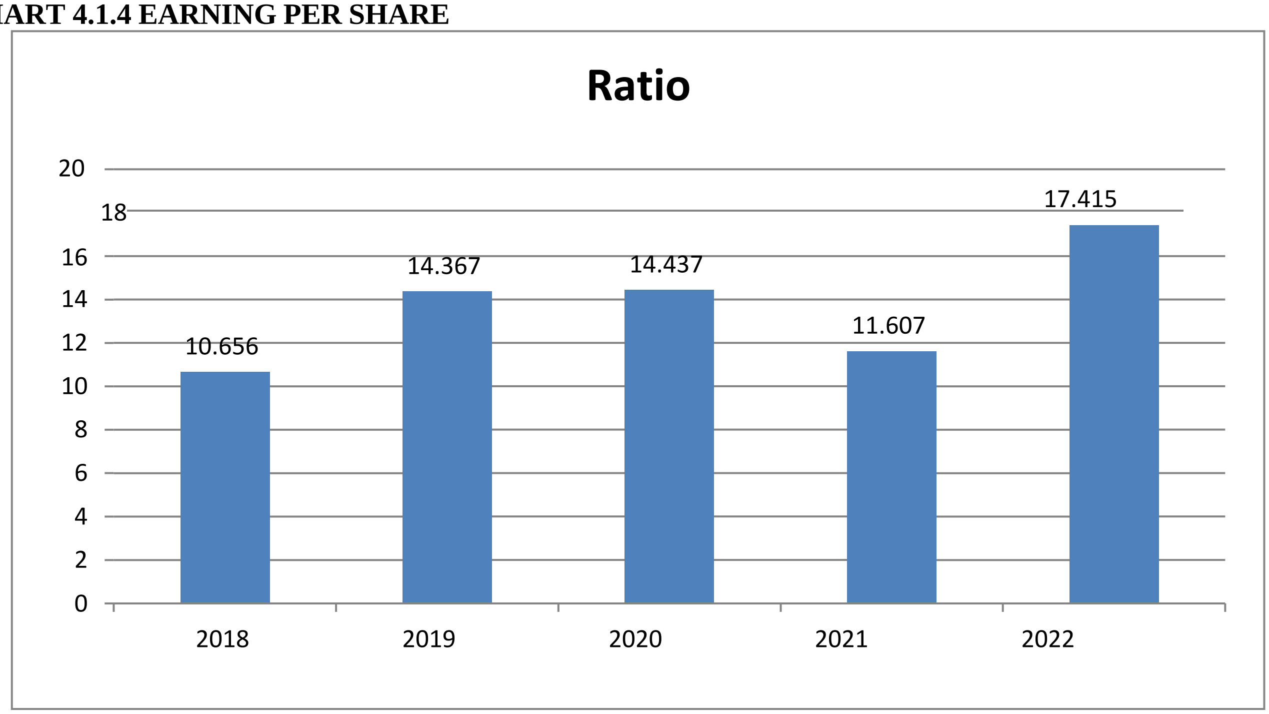
Earnings per share is a small variation of return on equity capital. It provides a view of the comparative earnings when it compares with that of similar other companies. Thus, the earnings per share are a good measure of profitability.

$$\text{Dividend Earning Per Share} = \frac{\text{Net Profit After Preference}}{\text{No. of Equity Shares}}$$

TABLE4.1.4 EARNING PER SHARE

Years	Net Profit After Preference Dividend	No. of equity shares	Ratio (Times)
2018	6,729.46	631.47	10.656
2019	9,121.57	634.88	14.367
2020	9,166.39	634.88	14.437
2021	7,370.69	635.00	11.607
2022	11,713.34	671.04	17.415

CHART 4.1.4 EARNING PER SHARE



SIGNIFICANCE

The earning per share shows was found to be high in the year 2022 with 17.415 and low in the year 2019 with 14.367. The current year (2022) earnings per share ratio is found to be increasing with 17.415 when compared to the previous year with 11.607. This is due to the increase in the net profit

4.1.5 DIVIDENT PAYOUT RATIO

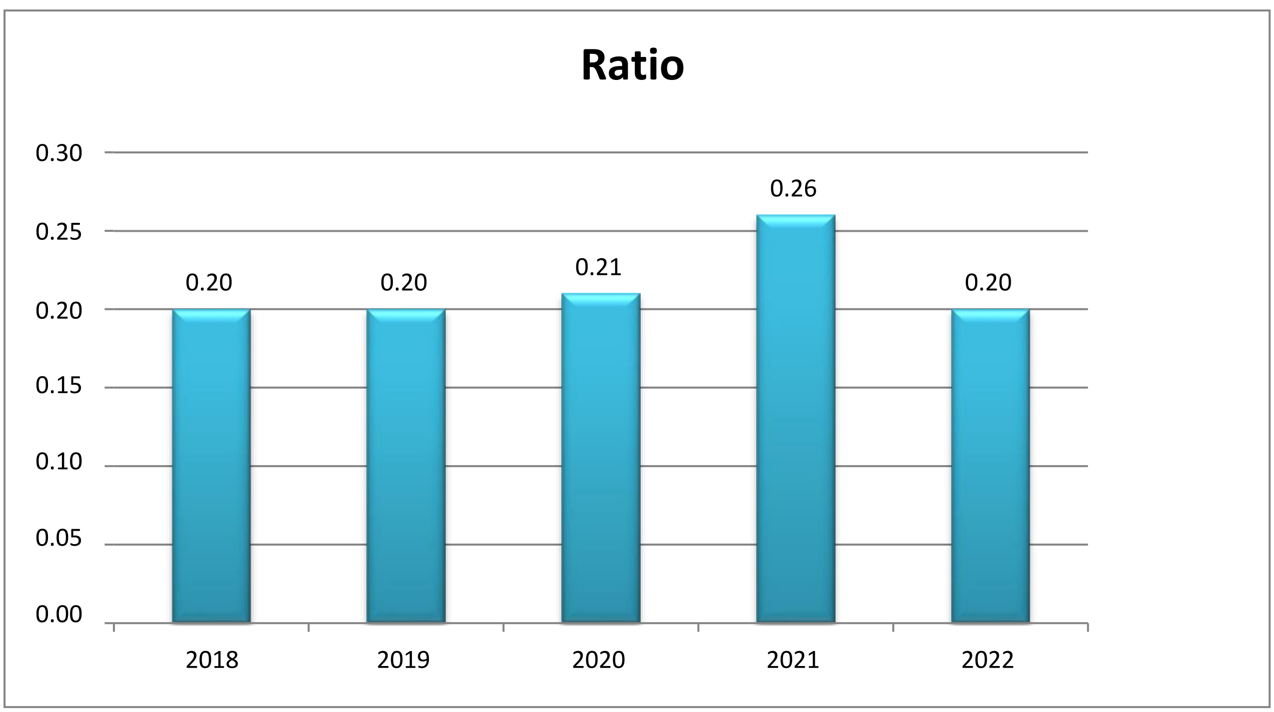
Dividend payout ratio refers to a financial metric that measures the percentage of a company's earnings paid out to shareholders as dividend. This ratio is calculated by dividing the total amount of dividends paid by the company by its net income for a given period**.**

Dividend Payout Ratio = Total Dividend / Total Income

TABLE :4.1.5 DIVIDEND PAYOUT RATIO:

Year	Total Dividend	Total Income	Ratio’s
2018	1,357.66	6,729.46	0.20
2019	1,841.15	9,121.57	0.20
2020	1,904.65	9,166.39	0.21
2021	1,905.00	7,370.69	0.26
2022	2,348.66	11,713.34	0.20

CHART :4.1.5 DIVIDENT PAYOUT RATIO:



SIGNIFICANCE

From the above table it is found that the dividend payout ratio is found to be high in the year 2021 with 0.26 and low in the years 2018, 2019 and 2022 with 0.20. The current year 2022 dividend payout ratio is found to be decreasing with 0.20 when compared to the previous year.

In the year 2020 the dividend pay-out ratio was declined from its preceding year. And again, in the year 2019 it declined. The Company is more concerned to increase its amount of reserve & surplus. Overall, I can say that it is a good strategy for future contingencies, growth & arrange finance for its ongoing projects from its internal sources**.**

4.1.6 DEBT-EQUITY RATIO:

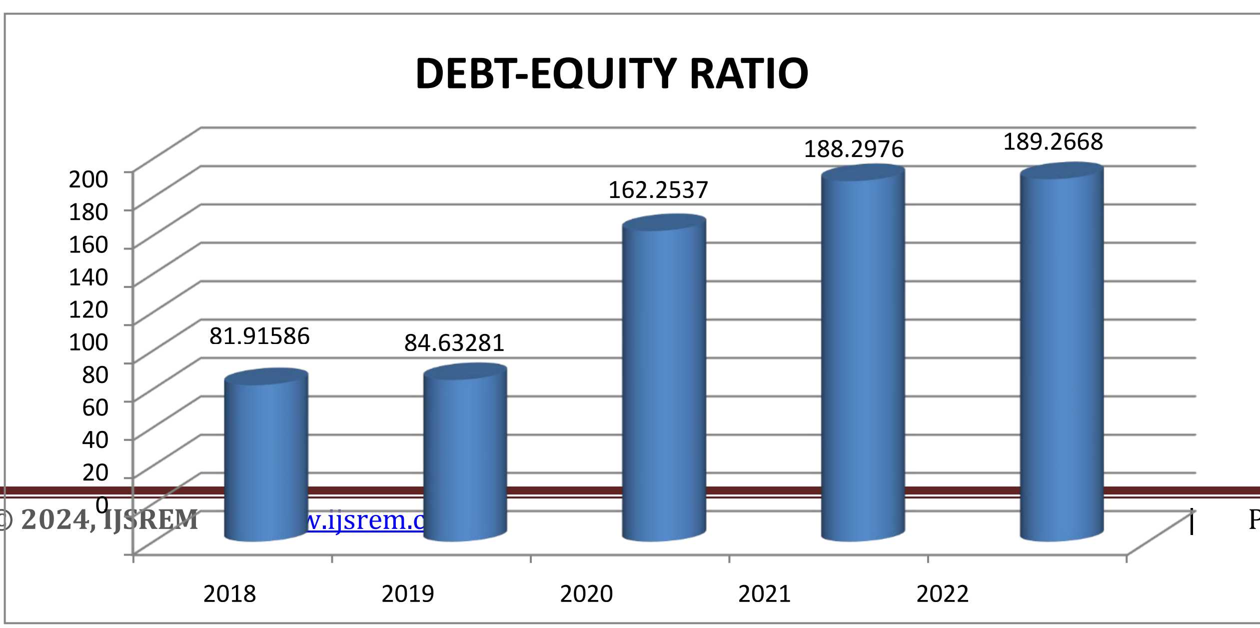
This ratio helps to ascertain the soundness of the long-term financial position of the Company. It indicates the proportion between total long-term debt and the shareholders' funds. This also indicates the extent to which the firm depends upon outsiders for its existence.

$$\text{Debt-equity Ratio} = \frac{\text{Total long-term debt}}{\text{Shareholders funds}}$$

TABLE4.1.6: DEBT-EQUITY RATIO

Year	Total Long-TermDebt	Shareholders Fund	Debt-Equity Ratio
2018	51727.41	631.47	81.91586
2019	53731.68	634.88	84.63281
2020	103011.60	634.88	162.2537
2021	119568.96	635.00	188.2976
2022	127005.57	671.04	189.2668

CHART 4.1.6: DEBT-EQUITY RATIO



SIGNIFICANCE

The debt-equity ratio is another leverage ratio that compares a Company's total liabilities to its total shareholders' equity. In the debt ratio, a lower the percentage means that a Company isusing less leverage and has a stronger equity position. In the year 2022 the debt equity ratio is higher which means that the Company is having a higher leverage

4.1.7 FIXED ASSET RATIO:

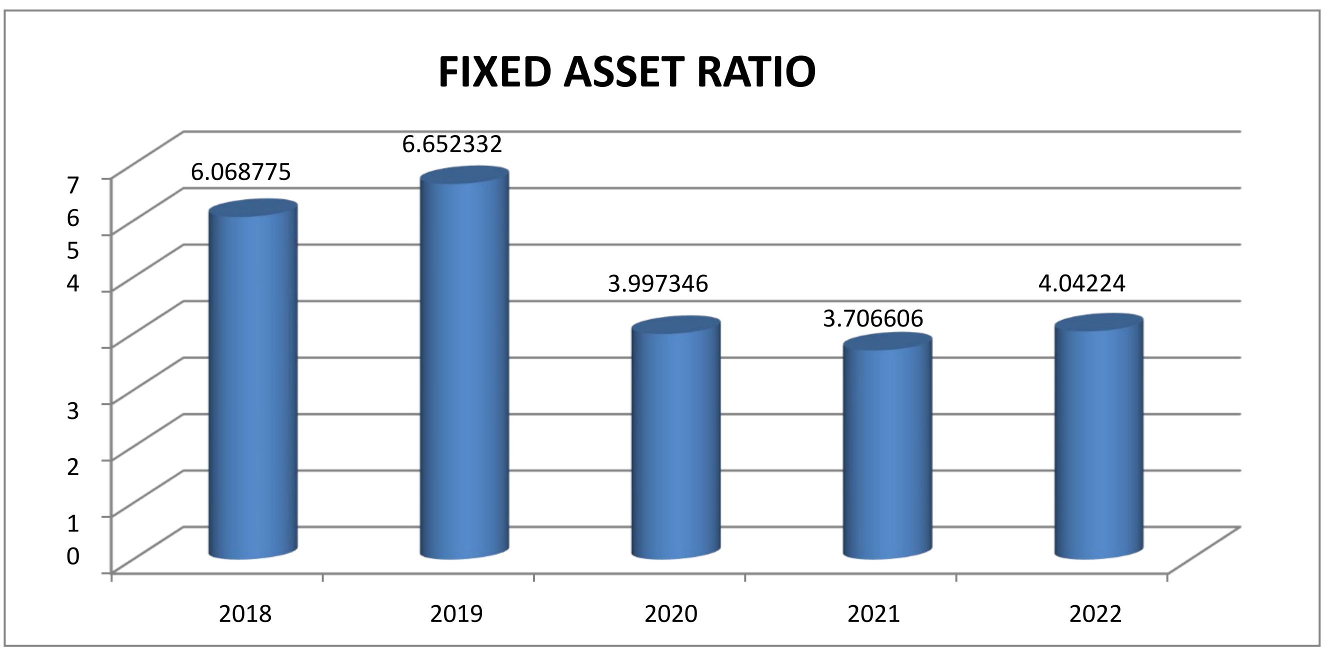
This ratio establishes the relationship between fixed assets and long- term funds. The objective of calculating this ratio is to ascertain the proportion of long-term funds invested in fixed assets. The ratio is calculated as given below

$$\text{FIXED ASSET RATIO} = \frac{\text{Fixed asset}}{\text{Long term}}$$

TABLE 4.1.7: FIXED ASSET RATIO

Year	FIXED ASSET	LONG-TERM FUND	FIXED ASSETRATIO
2018	3139.22	51727.41	6.068775
2019	3574.41	53731.68	6.652332
2020	4117.73	103011.60	3.997346
2021	4431.95	119568.96	3.706606
2022	5133.87	127005.57	4.04224

CHART4.1.7: FIXED ASSET RATIO



SIGNIFICANCE

From the above chart it is inferred that the Company has invested same amount in both long-term fund and the fixed asset. Even though the current year (2022) fixed assets are in the increasing rate that the ratios are equal to 0.002. This means that the Company's fixed asset position is satisfactory

4.1.8 FIXED ASSETS TO NETWORTH RATIO

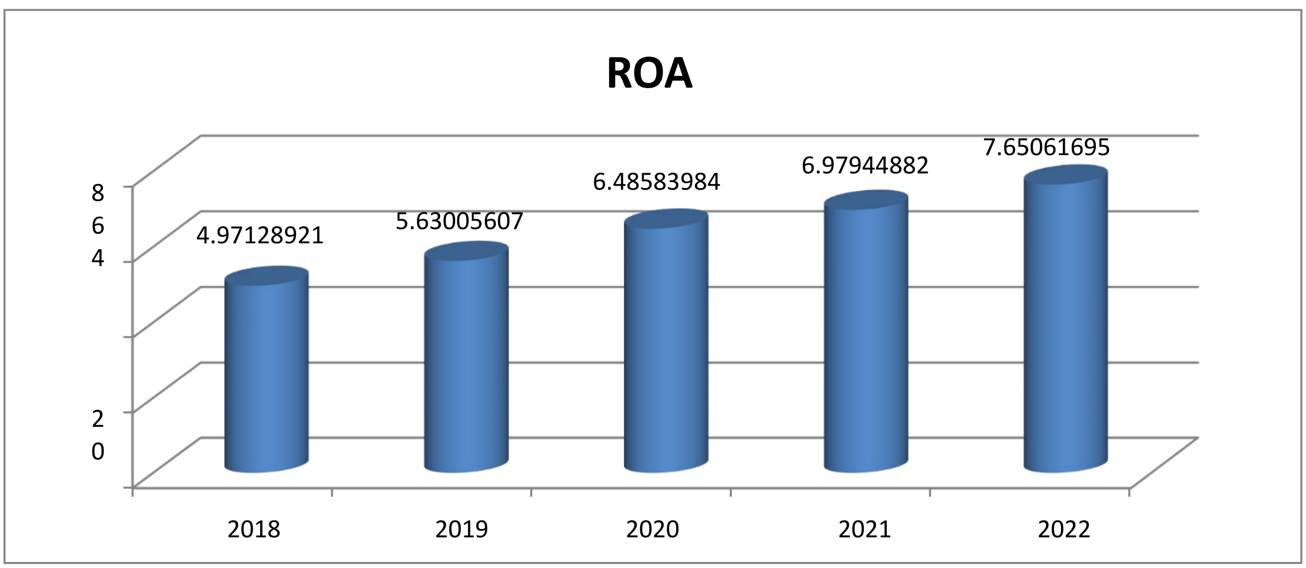
This ratio is relationship between fixed assets and share capital fund. This ratio is also calledfixed assets to net worth ratio. Following is its formula:

= Fixed Assets / Share capital fund

TABLE4.1.8 FIXED ASSETS TO NETWORTH RATIO

YEAR	FIXED ASSETS	SHARE CAPITAL FUND	FIXED ASSET TO SHARE CAPITALFUND RATIO
2018	3139.22	631.47	4.97128921
2019	3574.41	634.88	5.63005607
2020	4117.73	634.88	6.48583984
2021	4431.95	635.00	6.97944882
2022	5133.87	671.04	7.65061695

CHART 4.1.8 FIXED ASSETS TO NETWORTH RATIO



SIGNIFICANCE: Fixed assets to net worth ratio 0.75 or higher is usually undesirable, as it indicates that the firm is vulnerable to unexpected events and changes in the business climate.

This ratio indicates the extent to which the owners' cash is frozen in the form of fixed assets,such as property, plant, and equipment, and the extent to which funds are available for the company's operations (i.e. for working capital). The current year fixed asset to net worth ratio is 7.65 which indicates that the firm is not vulnerable to unexpected events and changes in the business climate.

4.1.9 DEBT TO TOTAL CAPITAL RATIO

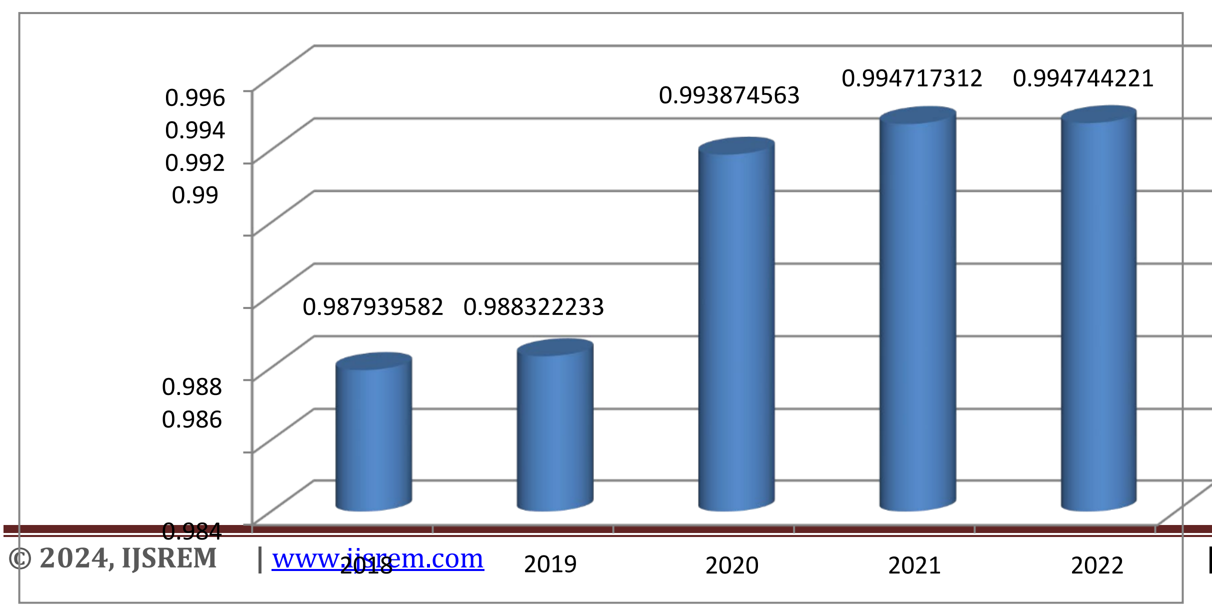
A measurement of a company's financial leverage, calculated as the company's debt divided byits total capital. Debt includes all short-term and long-term obligations. Total capital includes the company's debt and shareholders' equity, which includes common stock, preferred stock, minority interest and net debt.

$$\text{Debt to total capital ratio} = \frac{\text{Debt}}{\text{Shareholders equity + Debit}}$$

TABLE4.1.9 DEBT TO TOTAL CAPITAL RATIO

YEAR	DEBT	SHAREHOLDER'S EQUITY+DEBT	DEBT TO CAPITAL RATIO
2018	51727.41	52358.88	0.987939582
2019	53731.68	54366.56	0.988322233
2020	103011.60	103646.48	0.993874563
2021	119568.96	120223.96	0.994717312
2022	127005.57	127676.61	0.994744221

CHART4.1.9: DEBT TO TOTAL CAPITAL RATIO



SIGNIFICANCE:

The debt-to-capital ratio is a refinement of the debt-to-assets ratio. It measures how muchof the capital employed (i.e. the resources on which the company pays a cost) is debt. Higher debt included in the capital employed means higher risk of insolvency. The current year (2022) and the previous year (2021) ratio is high with 0.99%. This shows that the Company's debts are very high and involves higher risk of insolvency.

4.1.10: DEBT TO TOTAL ASSESTS RATIO

The **debt to total assets ratio** calculates the percent of assets provided by creditors. It is calculated by dividing total debt by total assets. Total debt is the same as total liabilities. Total debt to total assets is a leverage ratio that defines the total amount of debt relative to assets.

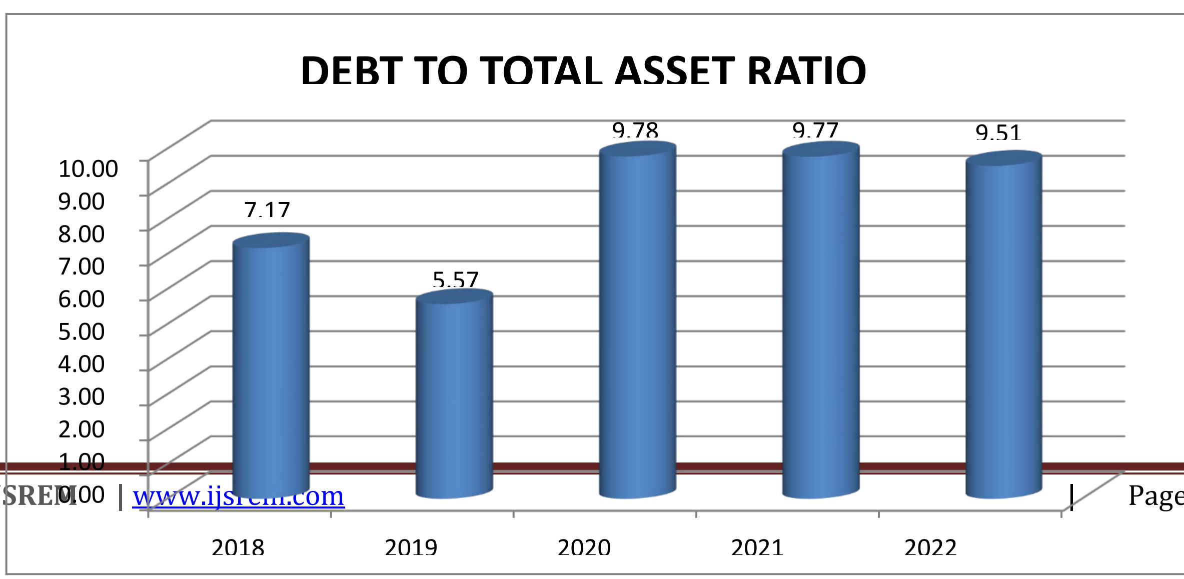
FORMULA:

$$\textbf{Debt to total assets ratio} = \frac{\textbf{Total debt}}{\textbf{Total assets}}$$

TABLE4.1.10: DEBT TO TOTAL ASSESTS RATIO

YEAR	TOTAL DEBT	TOTAL ASSETS	DEBT TO TOTAL ASSET RATIO
2018	51727.41	721526.32	7.169164667
2019	53731.68	964432.08	5.571328569
2020	103011.60	1053413.74	9.778835807
2021	119568.96	1223736.20	9.770811716
2022	127005.57	1335519.24	9.509827054

CHART 4.1.10: DEBT TO TOTAL ASSESTS RATIO



SIGNIFICANCE:

This enables comparisons of leverage to be made across different companies. The higher the ratio, the higher the degree of leverage, and consequently, financial risk. This is a broad ratio that includes long-term and short-term debt (borrowings maturing within one year), as well as all assets – tangible and intangible. The debt to total asset ratio is higher for the last 3 years this shows that the Company has a higher degree of leverage.

4.2 COMPARATIVE BALANCESHEET

4.2.1 COMPARATIVE BALANCESHEET FOR THE YEAR 2018-2019

PARTICULARS	**2018**	**2019**	**Inc\ Dec**	**Inc\Dec%**
Fixed Asset: Gross block-Depreciation	3139.22	3574.41	435.19	13.86
Capital work-in-progress	234.26	263.44	29.18	12.46
Investments	189501.27	275953.96	86452.69	45.62
Other assets	44417.03	37733.27	(6683.76)	(15.05)
Current assets				
Cash & Balances	51534.62	55546.17	4011.55	7.78
Balance in Company	15931.72	48857.63	32925.91	206.67
Advances	**416768.20**	**542503.20**	125735.00	30.17
TOTAL ASSETS	**721526.32**	**964432.08**	**242905.76**	**33.67**
Current Liabilities				
Other liabilities & provisions	83362.30	110697.57	27335.27	32.79
Equity share capital	631.47	634.88	3.41	0.54
Reserves & surplus	48401.19	57312.82	8911.63	18.41
Debts				
Deposits	537403.94	742073.13	204669.19	38.08

Borrowings	51727.41	53713.68	1986.27	3.84
TOTAL LIABILITIES	**721526.31**	**964432.08**	**242905.77**	**33.67**

4.2.2 COMPARATIVE BALANCESHEET FOR THE YEAR 2019-2020

PARTICULARS	2019	2020	Inc\ Dec	Inc\Dec %
Fixed Asset: Gross block-Depreciation	3574.41	4,117.73	543.32	15.20
Capital work-in-progress	263.44	295.18	31.74	12.05
Investments	275953.96	285790.07	9836.11	3.56
Other assets	37733.27	35112.76	(2620.51)	(6.94)
Current assets				
Cash & Balances	55546.17	61290.87	5744.70	10.34
Balance in Company	48857.63	34892.98	(13964.65)	(28.58)
Advances	542503.20	631914.15	89410.95	16.48
TOTAL ASSETS	**964432.08**	**1053413.74**	**88981.66**	**9.23**
Current Liabilities				
Other liabilities & provisions	110697.57	80336.70	(30360.87)	(27.43)
Equity share capital	634.88	634.88	0.00	0.00
Reserves & surplus	57312.82	65314.32	8001.50	13.96
Debts				
Deposits	742073.13	804116.23	62043.10	8.36
Borrowings	53713.68	103011.60	49297.92	91.78
TOTAL LIABILITIES	**964432.08**	**1053413.73**	**88981.65**	**9.23**

4.2.3 COMPARATIVE BALANCESHEET FOR THE YEAR 2020-2021

PARTICULARS	2020	2021	Inc\ Dec	Inc\ Dec %
Fixed Asset: Gross block-Depreciation	4117.73	4431.95	314.22	7.63
Capital work-in-progress	295.18	332.23	37.05	12.55
Investments	285790.07	295600.57	9810.50	3.43
Other assets	35112.76	43777.85	8665.09	24.68
Current assets				
Cash & Balances	61290.87	94395.50	33104.63	54.01
Balance in Company	34892.98	28478.65	(6414.33)	(18.38)
Advances	631914.15	756719.45	124805.30	19.75
TOTAL ASSETS	**1053413.74**	**1223736.20**	**170322.46**	**16.17**
Current Liabilities				
Other liabilities & provisions	80336.70	105248.39	24911.69	31.01
Equity share capital	634.88	635.00	0.12	0.02
Reserves & surplus	65314.32	64351.04	(963.28)	(1.47)
Debts				
Deposits	804116.23	933932.81	129816.58	16.14
Borrowings	103011.60	119568.96	16557.36	16.07
TOTAL LIABILITIES	**1053413.73**	**1223736.20**	**170322.47**	**16.17**

4.2.4 COMPARATIVE BALANCESHEET FOR THE YEAR 2021-2022

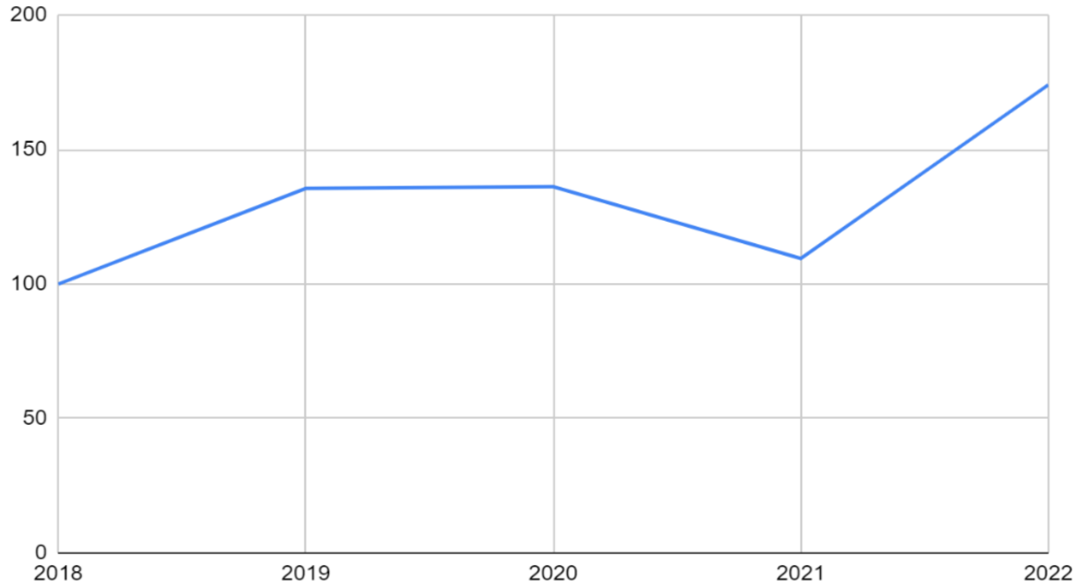
PARTICULARS	2021	2022	Inc\ Dec	Inc\Dec %
Fixed Asset: Gross block-Depreciation	4431.95	5133.87	701.92	15.84
Capital work-in-progress	332.23	332.68	0.45	0.14
Investments	295600.57	312197.61	16597.04	5.61
Other assets	43777.85	53.113.02	9335.17	21.32
Current assets				
Cash & Balances	94395.50	54075.94	(40319.56)	(42.71)
Balance in Company	28478.65	43087.23	14608.58	51.30
Advances	756719.45	867578.89	110859.44	14.65
TOTAL ASSETS	**1223736.20**	**1335519.24**	**111783.04**	**9.13**
Current Liabilities				
Other liabilities & provisions	105248.39	80915.09	(24333.30)	(23.12)
Equity share capital	635.00	671.04	36.04	5.68
Reserves & surplus	64351.04	83280.16	18929.12	29.42
Debts				
Deposits	933932.81	1043647.36	109714.55	11.75
Borrowings	119568.96	127005.57	7436.61	6.22
TOTAL LIABILITIES	**1223736.20**	**1335519.22**	**111783.02**	**9.13**

4.3TREND ANALYSIS

TABLE NO:4.3.1 **TABLE SHOWING TREND PERCENTAGE OF TOTAL INCOME**

Year	TOTAL INCOME (Rs in crs)	TREND %
2018	6,729.46	100
2019	9,121.57	135.55
2020	9,166.39	136.21
2021	7,370.69	109.52
2022	11,713.34	174.06

CHART NO:4.3.1. **CHART SHOWING TREND PERCENTAGE OF TOTAL INCOME**



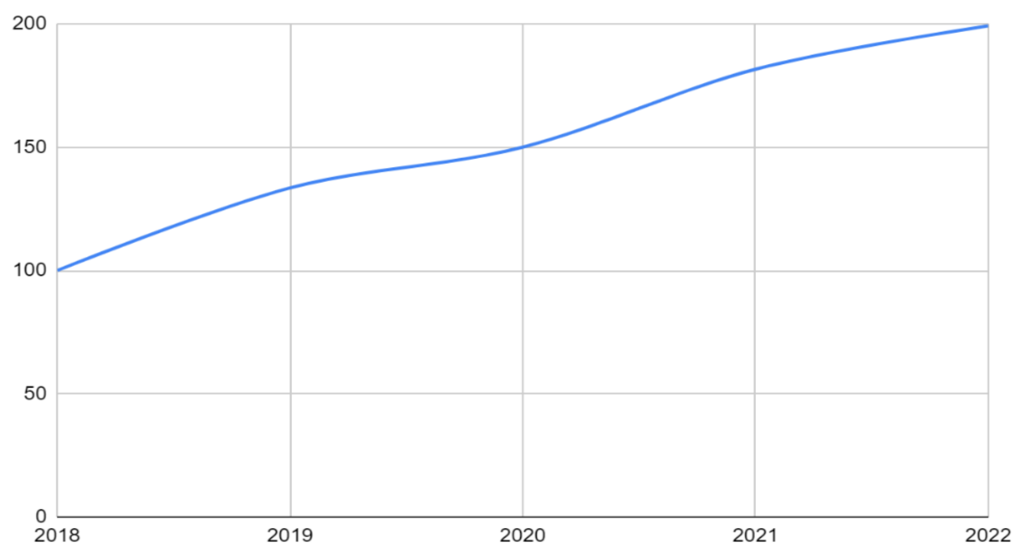
INFERENCE:

Trend percentage of current liability highlighting trend percentage as 2018 - 100, 2019 – 135.55, 2020 – 136.21, 2021 – 109.52, 2022 – 174.06.

TABLE NO: 4.3.2. **TABLE SHOWING TREND PERCENTAGE OF CURRENT ASSET**

Year	**CURRENT ASSET (Rs in crs)**	**TREND %**
2018	484234.54	100
2019	646907.00	133.89
2020	728098.00	150.36
2021	879593.60	181.64
2022	964742.06	199.23

CHART NO:4.3.2 **CHART SHOWING TREND PERCENTAGE OF CURRENT ASSET**



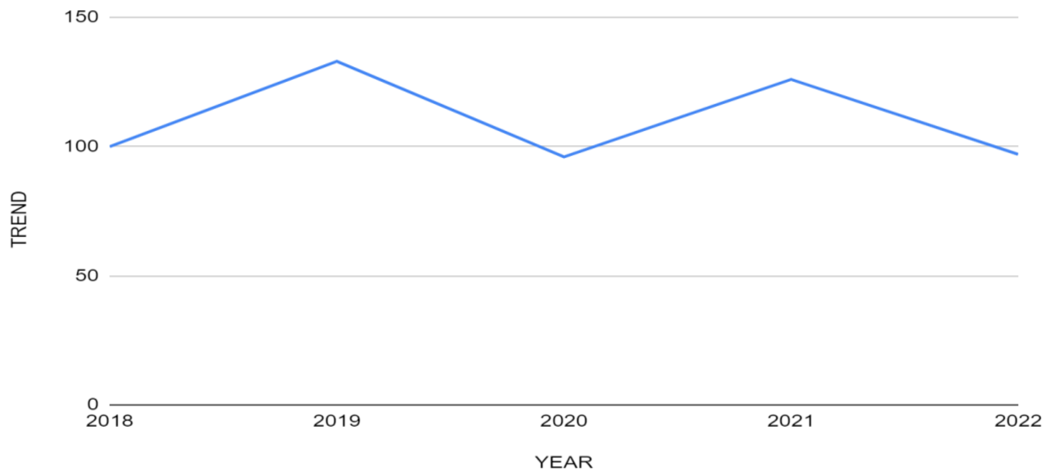
INFERENCE:

Trend percentage of current liability highlighting trend percentage as 2018 - 100, 2019 – 133.89, 2020 – 150.36, 2021 – 181.64, 2022 – 199.23.

TABLE4.3.3 TABLE SHOWING TREND PERCENTAGE OF CURRENT LIABILITY

Year	CURRENT LIABILITY	TREND %
2018	83362.3	100.00
2019	110697.57	132.79
2020	80336.7	96.37
2021	105248.39	126.25
2022	80915.09	97.06

CHART4.3.3 CHART SHOWING TREND PERCENTAGE OF CURRENT LIABILITY



INFERENCE:

Trend percentage of current liability highlighting trend percentage as 2018 - 100, 2019 – 133.79, 2020 – 96.37, 2021 – 126.25, 2022 - 97.06

FINDINGS

1. The current year 2022 proprietary ratio is found to be 0.06286 it is in aincreasing position.
2. The current year 2022 current ratio is found to be the highest (11.92) due to thedecrease in the liabilities.
3. The current year 2022 cash position ratio has increased to 1.20 when comparedto the previous year 2020 with 1.17.
4. The current year 2022 earnings per share ratio is found to be increasing with 174.15 when compared to the previous year with 116.07. This is due to theincrease in the net profit
5. The current year 2022 dividend payout ratio is found to be decreasing with 0.20 when compared to the previous year.
6. In the year 2022 the debt equity ratio is higher which means that the Company is having a higher leverage the current year 2022 fixed assets are in the increasing rate that the ratios are equal to 0.002. This means that the Company's fixed asset position is satisfactory
7. The current year fixed asset to net worth ratio is 7.65 which indicate that the firm is not vulnerable to unexpected events and changes in the business climate.
8. The current year 2022 and the previous year 2021 ratio is high with 0.99%. This shows that the Company's debts are very high and involves higher risk of insolvency.
9. The debt to total asset ratio is higher for the last 3 years this shows that the Company has a higher degree of leverage

SUGGESTIONS

- Company may look into the measures how to reduce the loans and advances in thecoming periods.
- Company may look into maintain the current assets and current liabilities. Currentliabilities may reduce coming periods.
- It is suggested to the company can strongly focus on cost reduction strategy that willmake a Company more profitability.
- The Company has a bright future if it concentrates more on its working capital short term,investments, thus achieving the overall objectives of the Company.
- Thus, it is essential to avoid excessive liquidity but to maintain sufficient liquidity toensure smooth running of the Company's operation
- The Company has better liquidity position and has to maintain same in the future.
- In the comparative statement of INVENTAA for t he year 2018 and 2019 the current assets of the year 2019 has been decreased to a great extent. And that the Company has decrease its liabilities and increase it asset to have a good liquidity position
- In all the 4 years of the INVENTAA Company has sold its fixed asset and reduced its reserves to pay its bills and that care to be taken so that the Company should have a fixed amount as reserve for future.
- In the current ratio of INVENTAA even though the current assets are twice as current liabilities there is a fluctuation in the current ratio. The Company should take proper stepsto make the ratio in a constant term.
- In the debt ratio, a lower the percentage means that a Company is using less leverage and has a stronger equity position. In the year 2019 the ratio is higher (9.67%) which means that the Company is having a higher leverage.
- In the Dividend payout ratio, the Company has reduced percent of profit has distributed among its shareholders from 53.19% to 34.41%. This leads to a decrease in the value of shares or decrease in the number

of shareholders. Care should be taken to have a constant profit.

- The Return on equity of INVENTAA has been increased in the year 2019. But thereis a fluctuation in the ratio, the Company should take proper steps should be made to reduce these fluctuations.

CONCLUSION

The efficient and smooth functioning of all the activities of the Company depends upon the financial performance of the Company. The financial performance analysis thus is a forward- looking exercise as it is helpful in future financial planning decision making. It determines to analysis forecasting future financial position. Through financial statement analysis, the present position and operating efficiency of the firm as a whole and its different departments can be identified. Further, the reasons for change in the profitability financial position of the firm can befound and necessary measures can be taken.

Financial performance can improve the financial strength of Company. The Company's liquidity position has to increase and it will solve future problem. The Company is maintaining the reserves and surplus better so it can face financial stress in the future. To proper maintain of financial performance to achieve the Company goal.

By analyzing the financial performance of the company of the Company it is inferred that the Company's financial position is found to be good. The ratios of the Company are satisfactory. The profitability of the Company is satisfactory but does not show a higher change in the profit when compared with the previous years.

The Company has increasing liabilities over years. The Company has also raised itsinvestments and reserves for future purpose.

This clearly shows that the Company is in the developing nature and their position in the society is satisfactory.

BIBLIOGRAPHY

- **Smith, J. (2020)** "Evaluating Financial Performance: A Comprehensive Approach." Journal of Business and Finance, 34(2), pp. 150-175.
- **Chen, L., & Zhang, Y. (2018)** "Impact of Management Practices on Financial Performance: Evidence from SMEs." International Journal of Entrepreneurial Behavior & Research, 24(6), pp. 1234-1256.
- **Garcia, M. (2021**) "Technology's Role in Financial Performance Analysis." Finance and IT Today, 12(3), pp. 45-60.
- **Kumar, R., & Singh, A. (2019)** "Globalization and Its Effects on Financial Performance Metrics: A Comparative Study." Journal of Global Economics, 16(4), pp. 789-807.
- **Wilson, E. (2022)** Financial Performance in the Digital Age: Challenges and Opportunities. Cambridge University Press.In this book.
- **Patel, D. & Kumar, V. (2017)** "Leverage Ratios and Their Impact on Corporate Growth: A Longitudinal Study." Corporate Finance Review, 21(5), pp. 48-64.
- **O'Connor, E. & Li, M. (2019)** "Sustainability and Financial Performance: A Review of Studies." Journal of Sustainable Finance & Investment, 9(3), pp. 210-233.
- **Hughes, A. (2021)** "Efficiency Ratios as Predictors of Financial Health in the Tech Industry." Technology and Finance, 15(1), pp. 112-130.
- **Thompson, B., & Rajan, R. (2020)** "Economic Conditions and Financial Performance: A Meta-analysis." Economic Analysis and Policy, 68, pp. 297-310.

- www.Articlebase.com
- www.wikepedia.com
- www.scribd.com
- www.FeeOnlyFinancial.net