

A Study on Financial Resources in Company

Author: **Ms. S.Harini**, MBA

Email: harinisaravanan2h@gmail.com

Co-Author: **Mr. M.Nishanth**, Asst. Professor

Department of Management Studies

Email.Com: professor.nishanth.m@gmail.com

ABSTRACT:

Financial Resources form the backbone of every business organization, enabling operational continuity, strategic expansion, and long-term sustainability. This examines of the study structure, utilization, and efficiency of financial resources with the company, and the study focuses on major sources of finance such as Debt Capital, Equity Capital, Working Capital, Revenue from Operations, and Internal Funds including retained earnings. Using descriptive and analytical research design, the study evaluates financial performance through ratio analysis, cash flow analysis, working capital cycle assessment, and model-based analysis. The study concludes that strategic financial resource planning enhances operational efficiency and supports sustainable business growth.

KEYWORDS: Financial Resources, Capital Structure, Working Capital, Internal Funds, Ratio Analysis, Financial Performance.

1. INTRODUCTION TO THE FINANCIAL REOSURCES:

In the modern competitive business environment, effective management of financial resources is a critical determinant of organizational success. Financial resources represent the funds required to acquire physical assets, employ human resources, manage operations, and support long-term strategic objectives. Companies that manage their efficiently are better positioned withstand economic uncertainties, the role and importance of financial resources in a manufacturing organization. Similar to how inventory management studies evaluate efficiency through turnover ratios and classification tools, this research applies their tools to assess the effectiveness of resource utilization. The study draws conceptual

inspiration case study research models and applies them to financial resources management.

OBJECTIVES OF THE STUDY:

2.1 PRIMARY OBJECTIVE:

To examine the different types of financial resources available to a company, and analysis the capital structure and funding pattern of the effectiveness of financial resources utilization.

2.2 SECONDARY OBJECTIVE:

- To study working capital efficiency and liquidity position, and analyze internal financial resources such as retained earnings and depreciation funds.
- To assess the relationship between financial resources and profitability, limited to the company statements and internal records.
- To provide suitable recommendations for improved financial resources management to covers debt, equity, internal records, and working capital used for policy practices.

III REVIEW OF LITERATURE:

1. Evaluation of efficient use of the financial resources of the company: **Hvozdiei, N. I., Bondaruk, I. S., & Vinnytska, O. A. (2018).**

Introduction. Financial resources can be defined as the material carrier of financial relations. The volume and efficiency of production determine by their size and structure. At the same time, the growth of production and social and economic development of the enterprise depend on the size of financial resources. Therefore, in the conditions of market economy, the search for financial sources of enterprise development, the provision of the most effective use of financial resources are important in the work of the enterprise.

2. Defining and measuring different dimensions of financial resources for business eco-innovation and the influence of the firms' capabilities: **Scarpellini, S., Marín-Vinuesa, L. M., Portillo-Tarragona, P., & Moneva, J. M. (2018).**

Despite the growing number of studies on eco-innovation, the measurement of the specific financial resources applied to the eco-innovation process by firms and its internal management have not been thoroughly elucidated to date. Therefore, the main objectives of this study is to define, classify, and measure different dimensions of financial resources applied to eco-innovation by firms and to analyse the influence of business' technological and environmental management capabilities in the efficient allocation of

analysis for published reports and accounts, performance measurement, outsourcing, new developments in the public sector and transfer pricing.

IV RESEARCH METHODOLOGY:

4.1 Research Design: The study adopts a descriptive and analytical research design to evaluate the financial resources structure and performance of the company, it indicate that firms with strong internal resilience and competitive advantage.

4.2 Data Collection: Secondary data is used for this study: - Annual reports, financial statements, company records, and profit and loss accounts.

4.3 Financial Tools Used in the study:

- (i) Ratio Analysis
- (ii) Trend Analysis
- (iii) Working Capital Structure

V DATA ANALYSIS AND INTERPRETATION:

5.1 DEBT-TO-EQUITY RATIO:

Year	Total Debt (₹ Cr)	Total Shareholders' Fund (₹ Cr)	Debt-To-Equity Ratio(%)
Mar-21	621.58	3,279.61	0.19%
Mar-22	1,023.05	3,763.89	0.30%

these resources to undertake investments in eco-innovation.

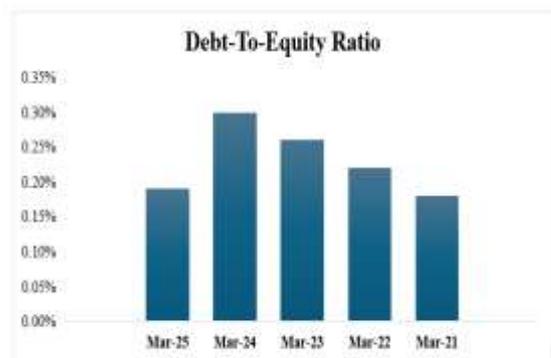
3. Managing Financial Resources: **Broadbent, M., & Cullen, J. (2012).**

Managing Financial Resources addresses the complicated issues of financial planning and control. These include performance measures and cost analysis, methods of improving profitability and techniques of financial monitoring and control. Real examples and case. All chapters have been updated and new material has been added to extend the original text in areas such as public sector management issues, audit commission, capital investment decisions, stakeholder

Mar-23	1,106.15	4,295.19	0.26%
Mar-24	621.49	5,005.24	0.22%
Mar-25	527.72	5,681.05	0.18%

INTERPRETATION:

The company's total debt, comprising Long Term Provisions, Short Term Borrowings, and Short-Term Provisions, peaked at ₹1,106.15 Cr in Mar-23, reflecting a significant increase from ₹621.58 Cr in Mar-21. A steep drop to ₹0.39 Cr by Mar-25 highlights a shift away from short-term debt, reducing liquidity pressure. After rising from ₹227.96 Cr in Mar-21 to ₹287.96 Cr in Mar-22, they dropped significantly to ₹52.44 Cr in Mar-23 and remained low, stabilizing around ₹62.69 Cr by Mar-25.

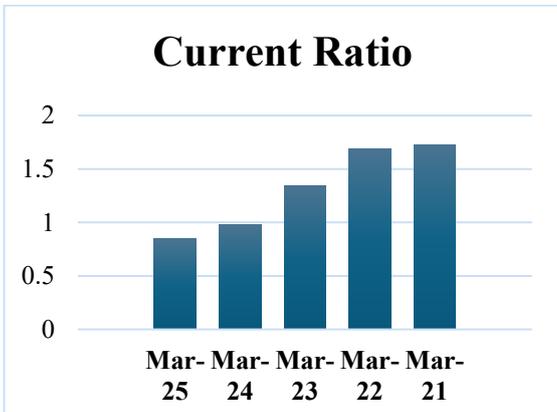


5.2 CURRENT RATIO:

Year	Total Current	Total Current	Current
Mar-21	1,980.81	2,336.09	0.85
Mar-22	2,763.82	2,823.54	0.98
Mar-23	3,600.21	2,696.15	1.34
Mar-24	3,522.84	2,087.09	1.69
Mar-25	3,085.26	1,783.26	1.73

INTERPRETATION:

Trend Analysis: The Current Ratio improved from 0.85 in Mar-21 to 1.73 in Mar-25. Initially below 1 (Mar-21 and Mar-22), indicating potential difficulty in meeting short-term obligations, it crossed 1 in Mar-23 and continued to rise, reflecting stronger liquidity. Strategic Implications: The improvement may reflect better cash management, reduced short-term debt (e.g., Short Term Borrowings dropped from Rs. 674.70 Cr in Mar-23 to Rs.560.39 Cr in Mar-25), or increased efficiency in converting assets to cash.



5.3 WORKING CAPTIAL:

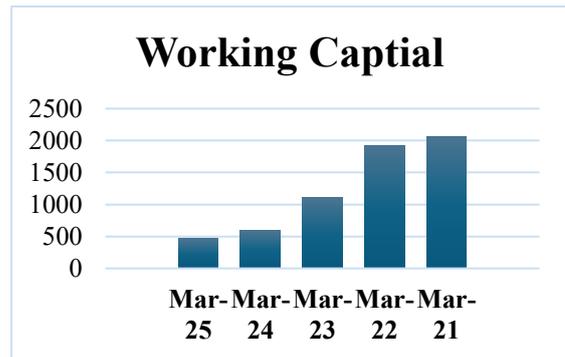
Year	Current Assets	Current Liabilities	Work ing Capital (Rs. Cr)
Mar-21	2,282.82	1,820.23	462.59
Mar-22	3,103.06	2,515.32	587.74
Mar-23	3,799.88	2,696.03	1,103.85

	Assets (₹Cr.)	Liabilities (₹ Cr)	Ratio (%)
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Mar-24	3,957.79	2,036.27	1,921.52
Mar-25	4,042.71	1,985.77	2,056.94

INTERPRETATION:

The working capital has shown a consistent and significant upward trend, increasing from Rs. 462.59 Cr in Mar-21 to Rs. 2,056.94 Cr in Mar-25. This represents a growth of approximately 344% over the five-year period, indicating a substantial improvement in the company's liquidity position. This growth reflects an increasing ability to fund day-to-day operations and meet short-term obligations without relying heavily on external financing.



VI. MODEL ANALYSIS:

The study employs financial models such as Enterprise Value(EV), Free Cash Flow to Firm (FCFF), and debt paydown analysis to assess long-term financial sustainability. The results indicate strong cash-generating capacity and prudent capital allocation.

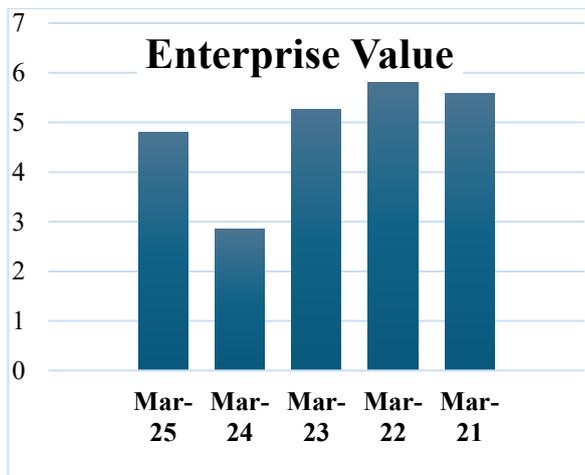
(i) Enterprise Value (EV):

Year Ended (Rs.Cr)	Market Cap	Total Debt	Cash &Equivalents	EV
Mar-25	62,480	680	364	65,352

Mar-24	51,830	305	334	55,981
Mar-23	70,554	798	178	74,451
Mar-22	56,500	668	208	56,961
Mar-21	75,950	376	90	78,226

INTERPERTATION:

Implication for financial resources for the rising EV (from 78,226Cr. In Mar-21 recovery for the dipping to possible due to margin pressures by Mar-25, it recovered to 62,353Cr. Reflecting 20%, growth and impact of levels indicate a conversation capital structure, with cash often off setting debt (net debt negative in most years), enhancing EV efficiency. This support strategic resources allocation toward debt reduction or investments.

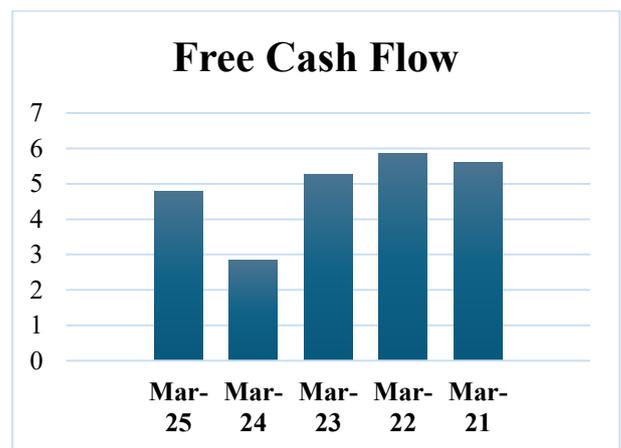


(i) FREE CASH FLOW(FCF) to firm:

Year	EBITDA(Rs.)	Tax Rate (%)	Capital Exp (Rs.)	Change in WC(Rs.)	FCF (Rs. Cr.)
Mar-21	698.89	50.25	549.22	-150	148.88
Mar-22	565.87	25.17	549.22	-200	135.65
Mar-23	878.60	49.68	549.22	-250	177.69
Mar-24	1,020.55	49.55	549.22	-300	207.45
Mar-25	1,702.69	49.88	549.22	-350	221.36

INTERPRETATION:

Constant of free cash flow increased from raise the value of percentage for 60% through growth slowed due to rising their working capital needs. This contrasts with operating cash (679.90 cr to 1,119.98 cr). Tax rate impact of (25-55%) reduce after-tax EBITDA significantly and implications for prior with a shortfall, suggesting a need for higher margins for optimization. DSCR(FCF/Interest + Principal) requires adjustments with generator sector growth and stable cash flows, FCF supports moderate leverage and rising rates and competition for necessitate efficiency gains in firms.



VII FINDINGS OF THE STUDY:

- The company maintains a balanced capital structure management is efficient and supports liquidity.
- Profitability ratios indicate stable financial performance and resources planning supports sustainable growth.

- Tax and capital structure optimization and action review and credits, ensure tax planning to reduce effective tax rate within statutory with expensive.
- Earnings of retained growth with demonstrates with steady along profit retention and ability due to equity acrossing interest finance to viable data.
- Capital structure balances their moderate, remains leverage but interest, and rate could strain and coverage if growth slows to assumption and improved their leverage.

VIII SUGGESTIONS OF THE STUDY:

- Strengthen internal fund utilization to reduce borrowing costs and to improve receivables management to the conversion cycle.
- Diversify funding sources to minimize financial risk and adopt advanced financial forecasting and budgeting tools.
- The explore refinancing high-costs loans to lower interest – bearing liabilities and maintain interest coverage and their contribution into balanced structure where internal funds.
- Enhancing working capital efficiency to inventory management and classification to identify slow-moving and high-value firms to items and implement JIT(just-in-time), to reduce the excess stock.

- Net profit and cost control to review the operational overheads such as administrative, selling, and finance costs, due to improve the asset utilization efficiency.

IX CONCLUSION:

The study concludes that effective financial resources management is essential for organizational success and sustainability, and the sunbeam generators private limited demonstrates sound financial practices through balanced capital management, and effective use of internal funds, strategic financial planning aligned with business objectives enhances profitability. The company liquidity, and long-term growth and their findings of this study provide valuable insights for financial managers, academicians, and policymakers.

REFERENCE BOOKS:

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- **“Principles of Managerial Financial Resources”**, **Author:** Lawrence J. Gitman, Chad J. Zutter. **Copyright:** Latest Edition Year by Pearson.