

A STUDY ON FINANCIAL ANALYSIS OF FINSIGMA INCLUSIVE SERVICES WITH REFERENCE TO CHENNAI

Vinoth Kumar N¹, T.Gomathi²

¹Final Year MBA Student, Gnanamani College of Technology, Namakkal

²Head of the Department, Department of MBA, Gnanamani College of Technology, Namakkal

E-Mail ID: mathitrajan@gmail.com

Abstract—Financial analysis is the process of evaluating businesses, projects, budgets and other finance-related entities to determine the performance and suitability of the organization. Generally, financial analysis is used to analyze whether a concern is stable, solvent, liquid or profitable enough to warrant a monetary investment. When looking at a specific company, a financial analyst conducts analysis by focusing on the income statement, balance sheet, and cash flow statement. As micro-finance programs and institutions have become an important component of strategies to reduce poverty and empower poor women beneficiaries, the analysis of outcome becomes inevitable for development agencies and donor community. At one end, it has been found that micro-finance services have positive socio-economic impacts and resulted in empowerment of poor women. While at the other hand, research studies have shown negative impacts and disempowerment of women. Analyzing these types of observations, the assessment of microfinance services becomes a significant issue for researchers and academicians. Therefore, the present research work is carried out to analyze the impact of micro-finance services on empowerment of poor women borrowers.

INTRODUCTION

Financial analysis is the process of evaluating businesses, projects, budgets and other finance-related entities to determine the performance and suitability of the organization. Generally, financial analysis is used to analyze whether a concern is stable, solvent, liquid or profitable enough to warrant a monetary investment. When looking at a specific company, a financial analyst conducts analysis by focusing on the income statement, balance sheet, and cash flow statement.

STATEMENT OF PROBLEM

As micro-finance programs and institutions have become an important component of strategies to reduce poverty and empower poor women beneficiaries, the analysis of outcome becomes inevitable for development agencies and donor community. At one end, it has been found that micro-finance services have positive socio-economic impacts and resulted in empowerment of poor women. While at the other hand, research studies have shown negative impacts and disempowerment of women. Analyzing these types of observations, the assessment of microfinance services becomes a significant issue for researchers and academicians. Therefore, the present research work is carried out to analyze the impact of micro-finance services on empowerment of poor women borrowers.

OBJECTIVES OF THE STUDY:

- ❖ To study and analyze the financial position of the company through ratio analysis.
- ❖ To analyze the profitability position of FISPL.
- ❖ To find out the financial stability of the FISPL.
- ❖ To study the growth profile of the company during the study period.
- ❖ To study the financial position of the company and operational process of FISPL.
- ❖ To evaluate financial soundness of the FISPL company.
- ❖ To Assess the Past Performance and Current Position of the FISPL organization.

SCOPE OF STUDY

- ❖ The study helps to gain the practical knowledge about the ratio analysis in the FISPL organization.
- ❖ The study mainly attempts to understand the performance of FISPL organization.
- ❖ The study mainly attempts to analyze the financial performance of the company.
- ❖ The financial authorities of the organization can use this for evaluating their performance in future, which will help to analyze financial statements.
- ❖ The present study attempt to develop a ratio analysis from the financial statement of the organization.

LIMITATIONS OF THE STUDY

- ❖ The study is limited to only five years of financial data because it is a started up company 2017.
- ❖ The study is purely based on secondary data which are taken primarily from the organization website.
- ❖ The ratio is calculated from the past financial statement.
- ❖ It is very difficult to get more information from the internet or company websites.
- ❖ Getting response from the employees in their busy schedule affects their work and also it is difficult to gain more information.

RESEARCH METHODOLOGY

Research methodology is a way to systematically solving a research problem. It is a science of studying how the research is done. The research has explained the methods and steps adopted for achieving the purpose of the study and to arrive at a meaningful conclusion.

Research Design

A research design is the specification of method and procedures for acquiring the information needed. It is overall operation pattern of frame work of the project that stipulates what information is to be collected from which source and by what procedures.

Area of the Study

This study on financial statement analysis in Finsigma Inclusive Services Pvt Ltd at Coimbatore district. The research design constitutes the blue print for the collection, measurement and analysis of data.

Data Collection

There are two types of data. They are primary data and secondary data for the purpose of study the researcher had used both primary and secondary data

Primary data:

The primary data those which collected for first time and a fresh, and thus happen to be original in character. The primary data can be collected from customers, or by own through customers.

Secondary data:

The secondary data are that which already has been collected by someone else and which have already been passed through the statistical process. The secondary data was collected from books, journals and news papers. The secondary data can be collected from the company's website and from the various website.

FINDINGS

- ❖ Working capital in the firm has increased year by year, so the firm met all the day to day expenses effectively.
- ❖ Current ratio is in a satisfactory condition as it fulfills the ideal ratio.
- ❖ Liquid ratio is satisfactory the highest ratio (13.50) was obtained during the period 2016-2017.
- ❖ Cash ratio is not satisfactory at last year even though the highest ratio (9.65) was obtained during the period 2014-2015.
- ❖ Debt ratio has the highest ratio (0.75) was obtained during the period 2014-2015. The debt ratio is satisfactory as it is less than 1.
- ❖ Debt equity ratio has highest ratio (3.02) was obtained during the period 2014-2015. The financial structure is sounds good from the year 2015-2016 because it has less than 2.

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- ❖ Shareholders equity has highest ratio (271486679) was obtained during the period 2017-2018. Therefore the shareholders equity ratio is very satisfactory.
- ❖ Return on investment ratio has gain favorably to its cost from its investment.
- ❖ Absolute liquid ratio has highest ratio (13.17) was obtained during the period 2016-2017. The ideal ratio is 0.5:1 hence it is not satisfactory.
- ❖ Return on equity has highest ratio (2.91) was obtained during the period 2017-2018.
- ❖ Therefore the return on equity is more efficient a company's management is generating income and growth from its equity financing.

SUGGESTION

- ❖ The firm faces many financial difficulties. So, they have to improve their financial status in effective manner.
- ❖ The firm must improve the facility to their employees to work effectively. Working capital can be increased for the growth of the organization.
- ❖ Return on equity is a profitability ratio that measures the ability of a firm to generate profits from its shareholders investments in the company.
- ❖ From the shareholders investment the profit can be increased by performing well in financial activities.
- ❖ Return on investment can be improved more efficiently by expanding organization to next level.
- ❖ The debt in the organization can be reduced for the growth of the organization.
- ❖ The organization must try to increase their loans from customers for the growth of the organization.
- ❖ The firm must try to adopt the cost reduction technique to escape from critical situation.

CONCLUSION

A topic entitled "A STUDY ON FINANCIAL STATEMENT ANALYSIS IN FINSIGMA INCLUSIVE SERVICES PRIVATE LIMITED AT CHENNAI" from this it helps to gain more knowledge about the ratio analysis. The firm has developed from loss to profit from the first year of organization started. It has achieved its target every year by increasing their quantity of loan providing to the customers. This has improved my knowledge on financial statements which is very useful in business everyday and also it helps me to understand the application, techniques to understand the performance of the FISPL.

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