A STUDY ON FINANCIAL ANALYSIS IN VVV MAK ENGINEERING PVT. LTD AT COVAI

Article Particulars

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Abstract

Finance is defined as the provision of money at the time when it is required. Every enterprise, whether big, medium, or small, needs finance to carry on its operations and to achieve its targets. In fact, finance is so indispensable today that it is rightly said to be the lifeblood of an enterprise. Without adequate finance, no enterprises can possibly accomplish its objectives. Finance refers to the management of flow of money through an organization, Objectives of the study To measure in comparative balance sheet, To measure the operating performanceof the company, To measure liquidity position of the company, To measure long term solvency of the company, limitations of the studyThis study is mainly depends on the secondary data i.e.,Annual report of VV MAK ENGINEERING, Operating and financial performance of the company is analyzed using 5 year data alone, The study does not consider the time value of money, The validity of analysis and suggestions depends on the financial statements and reports alone, provided by the company.

Introduction about the Study

Finance is defined as the provision of money at the time when it is required. Every enterprise, whether big, medium, or small, needs finance to carry on its operations and to achieve its targets. In fact, finance is so indispensable today that it is rightly said to be the lifeblood of an enterprise. Without adequate finance, no enterprises can possibly accomplish its objectives. Finance refers to the management of flow of money through an organization.

Financial management refers to that part of the management activity which is concerned with the planning and controlling of firm's financial resources. It deals with finding out various sources for raising funds for the firms. Financial performance analysis means establishing relationship between the items in the balance sheet and profit and loss account for determining the financial strength and weakness of the firm. It is the process of scanning of the financial statements to judge profitability, solvency, stability, growth and prosperity of a firm. The study entitled "Financial Performance Analysis of

Natures prime organic (p) Limited, Thrissur" has been oriented with a view to study the financial position of the company that helps in making sound decision by analyzing the recent trend.

Meaning

Financial analysis is the selection, evaluation, and interpretation of financial data, along with other pertinent information, to assist in investment and interpretation of financial decision-making. Financial analysis may be used internally to evaluate issues such as employee performance, the efficiency of operations and credit policies, andexternally to evaluate potentials investments and the credit worthiness of borrowers, among other things.

Concept of Finance

Finance is the life blood of business.Finance is of the basic foundations of all kinds of economic activities.Like any other functional management firm (such as production, marketing, financeetc,,,)"Finance" is a vital functional organ of the firm.If the finance function does not operate well, the whole organizational activity will be collapsed.The subject matter of financial management has been defined in many ways depending upon the study of the subject.

Financial Statement analysis Concept

Financial statement analysis is the collective name for the tools and techniques that are intended to provide relevant information to decicionmakers.The purpose of financial statement analysis os to access a company financial health and performance financial ststement analysis consist of comparisons for the same company over periods of time and comparisons of different companies either in the same industry or in different industries.Financial statement analysis enables investors and creditors to evaluate past performance and financial position and to predict future performance.

Statement of the Problem

Analyzing financial is the process of evaluating the common parts of financial statements to obtain a better understanding of firm's position . Financial analysis enables the investors andcreditors evaluate past and current performance and financial position, and to predict future analyzis.Financial statement is used to judge the profitability and financialsoundness of a firm. In this study, an attempt is made to identify the financialstrength and weakness of the firm by properly establishing relationship betweenthe items in the balance sheet and profit and loss account of VV MAK ENGINEERING (P)LTD, COIMBATORE

Need on Financial Analysis

The analysis draws the financial data needed in financial from many sources .The primary source is the data provided by the firm itself in its annual report and required disclosures.The annual report and required disclosures. The annual report comprisesThe income statement, the balance sheet,and the statement of cash flows, as well as to these close statements certain businesses are required by securities laws to disclose addition anal information. Besides information that companies are required financial statements, other information is ready available for financial analysis for example information such as the market prices of security of publically –trades corporations can be found in the financial press on the electronics media daily. Similarly, information on stock price indicates for industries for industries and for the market as a whole as available in the financial press.

Performance based on Finance

Another sources of information is economic data,such as the gross domestic product and consumer price index. which may be useful in assessing the recent performanceor future prospects of affirm or industry? Suppose you are evaluating a firm that owns a chain of retail outlets. Financial ratios reading prepared by Pamela Peterson-drakeyou need to judge the firms performance and financial condition?you need financial data but it does not tell the whole story..

Financial Analysis

Financial analysis is the process of determining the operating and financial characteristics of a firm from accounting and financial statement s. The goal of such analysis is to determine the efficiency and performance of firm's management, as reflected in the financial records and reports. The analyst attempts to measure the firm's liquidity, profitability and other indicators that the business is conducted in a rational and normal way; ensuring enough returns to the shareholders to maintain at least its market value.

Objectives of the Study

- To measure in comparative balance sheet
- To measure the operating performanceof the company
- To measure liquidity position of the company
- To measure long term solvency of the company

Limitation of the Study

- This study is mainly depends on the secondary data i.e.,Annual report of VV MAK ENGINEERING.
- Operating and financial performance of the company is analyzed using 5 year data alone.

- The study does not consider the time value of money.
- The validity of analysis and suggestions depends on the financial statements and reports alone, provided by the company.

Scope of the Study
- Provide key company information for business intelligence needs.
- The analysis consists company information, business structure and operations.
- The company history, major products and services.
- Key competitors, key employees and executive's biography,different locations and important subsidiaries.
- The report provides detailed financial ratios for the past five years.

Industry Profile
Pipline and electrical is a group of industrial and metalworking processes used to alter the physical, and sometimes chemical, properties of a material. The most common application is metallurgical. Heat compriser are also used in the manufacture of many other materials, such as glass. Heat treatment involves the use of heating or chilling, normally to extreme temperatures, to achieve a desired result such as hardening or softening of a material.

Top Ten Industries in India
- Alpha Inductions
- I.S. Engineering Works
- Swastik Fasteners
- Treatwel Industries
- JainexAamcol Limited
- Choksi Group
- Metallurgical Services
- Arun Industries
- Seco Warwick Systems & Services (India) Private Limited
- Therelek Furnaces Private Limited

Company Profile
Profile of the Company

Name of the Company : **VV MAK ENGINEERING (P) LTD**
Establishment Year : 1996
Founder : Mr.S.I.Ismail
Managing Director : Mr.I.K.Basha
Products : Pipelines, Electrical works,air copraiser
Production Capacity : According to requirement
Turnover : 5Crores

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Introduction to Pipeline Engineering

- Basic pipeline concepts and definitions
- Stages of a pipeline project
- Standards, codes and regulations
- Principles of pipeline design, construction and installation
- Wall thickness calculation based on different design codes or standards - Case studies on code selection

Material Selection and Corrosion Control

- Material science including the properties of steel and other materials used for pipeline fabrication
- Process of pipeline material selection, including code/standard requirements
- Manufacturing process, including welding standards, procedures and non-destructive testing (NDT) techniques for qualifications
- Corrosion, including definition of the corrosion phenomenon and chemical principles
- Types of internal and external corrosion
- Methods to prevent or mitigate corrosion in pipelines

Pipeline Design, Installation and Construction

- Introduction to different approaches of pipeline design for offshore and onshore - Safety and reliability factors / Codes / Standards / Recommended practices
- Pipeline configurations, including pipe-in-pipe, bundles, etc
- Flexible pipelines – principles and concepts
- Introduction to hydrodynamics around offshore pipelines, including the definition of the different wave theories
- Stress assessment of pipelines, including definition of stress on pipelines and an introduction to fatigue analysis

Our Range Comprises

Category	Products
Compressor Arrangement '0' Presser Loss	1. Compressor Arrangement '0' Presser Loss 2. Sump Arrangement '0' Presser Loss 3. Water Cooler Arrangement '0' Presser Loss

	4. CFM Checking For Pipeline 5. Trench To User End (No Joints) 6. Trench Pipe Liner 7. Pipeline Leak Testing 8. Proper Reducer ('0' Presser Loss) 9. T Joined Full Bore ('O' Presser Loss) 10. Turbulence Free Air System 100% Power Save 11. Vacuum Water Drain With Out Accessories 12. Atmospheres Expansion Line 13. Moisture Filter ('O' Presser Loss)
Fire Safety Pipe Line & Accessories	1. Pump Hose 2. Operating Valves 3. Fire House Safety Box 4. Hydrant Valves 5. Fire Hose Reel 6. Compressor Line PPR
H D P E, DI, AC & PVC Pipe Line & Accessories	1. Concealed & Open Model PPR 2. Duct Line Model PPR 3. Water Tank Pipe Line PPR 4. Hanging Model PPC & PVR 5. Hanging Model PVC 6. HDPE (Water)

Salient Features
- Excellent performance
- High efficiency
- Corrosion resistant
- Easy to install
- Durable

Litrature Review
Raphealnisha (2013)

The author tries to evaluate the financial performance of Indiantyre industry. The study was conducted for period 2003-04 to 2011-12 to analyze theperformance with financial indicators, sales trend, export trend, production trend etc. Theresult suggests the key to success in industry is to improve labour productivity andflexibility and capital efficiency.

HotwaniRakhi (2013)

The author examines the profitability position and growth ofcompany in light of sales and profitability of Tata Motors for past ten years. Data isanalyzed through rations, standard deviations and coefficient of variance.The studyreveals that there not exists a strong relationship between sales & profitability ofcompany.

Sharma Rashmi, PandeNeeraj& Singh Avinash (2013)

For understanding how socialmedia monitoring can help diving the consumer decision & also study. The functions ofsocial media i.e. monitor, responses amplify and

lead at marutiSuzuki India ltd. Theresearcher had discussion with social media team median managers for collecting data &also visited the official social media sites of MSIL.

Daniel A. Moses Joshunar (2013)

The study has been conducted to identify the financialstrength and weakness of the Tata motors Ltd. using past 5 year financial statements.Trend analysis & ratio analysis used to comment of financial status of company.Financial performance of company is satisfactory and also suggested to increase the loanlevels of company for the better performance.

Dhole Madhavi (2013)

Investing the impact of price movement of share on selected company performance. It advise due investors consider various factors before choosing the better portfolio. Sentimental factors do play a role in price movement only in short term but in long run annual performance is sole factor responsible for price movement.

ShendeVikram (2014)

This research will be helpful for the new entrants and existing carmanufacturing companies in India to find out the customer expectations and their marketofferings. The objective of study is the identification of factors influencing customersperformance for particular segment of cars.

Azhagaiah R. &Gounasegaran (2014)

Recognized India's per capita real GDP growthas one of key drivers of growth for country's automobile industry. The centralgovernment would be set up various task forces on issue related to taxation, landacquisitions, labour reform and skill development for auto industry.

Buvaneswari .R &Kanimozhip (2014)

To study the credit worthiness of selected firmsin Indian car industry, tiruchy.Professor Edward Altman of New York Universitydeveloped method Z score analysis to predict the company failure or bankruptcy.Tomeasure the fiscal fitness of a company combined a set of five financial ratios.

Idhayajothi, R et al (2014)

The main idea behind this study is to analyze the financialperformance of Ashoka Leyland ltd. at Chennai. The result shows that financialperformance is sound and also suggested to improve financial performance by reducingthe various expenses.

SrivastavaAnubha (2014)

Data analysis has been done using the top down approach, i.e. Economic analysis, industry analysis, company and technical analysis to findrelationship between automobile sector index with market index. Mahindra and Mahindrahave a great position on the stock market and will attract investor and this could lead toexpansion and growth. Thus Tata motors and Maruti Suzuki need to take care of theirstock and expansion.

Krishnaveni, M. &Vidya, R. (2015)

Find that Indian automobile industry is a highflying sector these days and emerging as an export hub in wake of liberalisationandglobalization. This paper revises the category wise production, sales and exports ofautomobile industry in India. Industry growth can be viewed in term of pre and postliberalization. As government allows 100 percent FDI, increase 15% in customs duty oncars and MUVs to encourage local manufacturer and concessional import duty onspecified parts of hybrid vehicles.

SarwadeWalmikKachru (2015)

Analyzed the effects of liberalization, government delicensingand liberal trade policies on the growth of Indian auto mobile industry .Thestudy recommends that investing four- wheeler is going to be smart potion not only inIndia but all around the world.

Becker Dieter (2015)

The report shows about the current state and future prospects of theworldwide automobile industry. This survey report the manufacturer, executive andconsumer views about four aspects, mobility culture, technological fit, business modelreadiness and market share.

Surekha B. &KrishnalahK.Rama (2015)

This study reveals the prosperity of Tatamotorscompany. It can be concluded that inner strength of company is remarkable.Company can further improve its profitability by optimum capital gearing, reduction inadministration and financial expenses for the growth of company.

Maheswari, V. (2015)

Made an attempt to analyze the financial soundness of the HeroHonda motors limited have identified three factors, namely liquidity position, solvencyposition and profitability position based on the study of period 2002 to 2010 using ratioanalysis.

Agarwal, Nidhi (2015)

The study focus on the comparative financial performance ofMaruti Suzuki and Tata motors ltd. The financial data and information required for thestudy are drawn from the various annual reports of companies. The liquidity and leverageanalysis of both the firms are done. To analyze the leverage position four ratios areconsidered namely, capital gearing, debt-equity, total debt and proprietary ratio.Theresult shows that Tata motors ltd has to increase the portion of proprietor's fund inbusiness to improve long term solvency position.

Krishnaveni, M. &Vidya, R (2015)

Author has selected 87 companies out of 242companies in capital line database to discuss the standard current ratio of automobileindustry is matched with tractor and four sectors like engine parts, lamps, gears andancillaries with standard norms.

Takeh Ata &NavaprabhaJubiliy (2015)

Author has made conceptual model to outlinethe impact of capital structure on the financial performance i.e. capital structure isindependent variable that value is measured by using four ratios namely, financial debt,total debt equity, total asset debt and interest coverage ratio where asfinancialperformance is dependent variable that value is measured by using four ratios as return onassets, return on equity , operating profit margin and return on capital employed.Researcher has selected 13 major steel industries and applied various statistical tools likestandard deviation, correlation matrix, anovaetc are employed for testing hypothesis withhelp of SPSS22.

Jothi, K. &Geethalakshmi, A. (2016)

This study tries to evaluate the profitability &financial position of selected companies of Indian automobile industry using statisticaltools like, ratio analysis, mean, standard deviation, correlation.

Kumar Mohan M.S, Vasu. V. and Narayana T. (2016)

The study has been madethrough using different ratios, mean, standard deviation and Altman's Z score approachto study the financial health of the company. The study reveals there is a positivecorrelation between liquidity and profitability ratios except return on total assets as wellas Z score value indicate good health of the company.

KaurHarpreet (2016)

The author tries to examine the qualities & quantities performer ofmaruti Suzuki co. & how had both impact on its market share in India, For this studysecondary data has been collected from annual reports, journals, report automobile sites.Result shows that MSL has been successfully leading automobile sector in India for lastfew years