



A STUDY ON FINANCE PERFORMANCE IN DHANALAKSHMI SRINIVASAN CHIT FUNDS PVT LIMITED, PERAMBALUR

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Abstract:

Financial performance is done to evaluate capability, stability and profitability in Dhanalakshmi Srinivasan Chit Funds Pvt Limited, Perambalur. The main objective of this study is to know the short term and long term financial position of the company and to know the profit level of the company. It is analyzed using short term, long term and profitability ratios for the period 2015- 2019, based on the secondary data that is balance sheet and profit/loss account. The company has to stabilize its income without much increase in operating expenses.

Key Words: To Working Capital Analysis, To Financial Structure Analysis, To Activity Analysis, To Profitability Analysis.

Introduction:

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. The study entitled Financial Performance of Dhanalakshmi Srinivasan Chit Funds Pvt Limited Perambalur 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. A Financial Performance Report is a summary of the Financial Performance of a Company that reports the financial health of a company helping various investors and stakeholders take their investment decision. The financial statements of a company reflect a true picture of its financial performances. They depict not only profits and losses, but even assets and liabilities. It is only at the end of all accounting processes that we can generate financial statements. Let's take a look at the objectives of financial statements along with their features.

Review of Literature:

Almeida H Campello and M. & M. Weisbach (2017), have observed that the availability of internal liquidity is a key parameter of firms' ability to invest and accomplish the desired expansion plans. Companies need not to seek the assistance of external financing source as it always has a higher cost to the capital, thereby adversely affecting the profit and profitability of the firm. In continuance and contrary to the above literature.

Flkender and Petersen (2016), the dependence of investment on cash or debt largely depends on whether the firm is facing an income shortage or, conversely, a high income state. The authors highlight that there is interplay between firms' cash and debt policies as cash holdings have a significant effect on financing capacity and investment spending in low cash flow states, while debt reductions are a particularly effective way of boosting investment in high cash-flow states.

Fashna Basheer (2018), made an analysis of "Financial Performance." for the period off five years from 2015-2019 with the following objectives. i.e. To examine the liquidity position. To evaluate the financial performance and profitability of the company.

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Objectives of the Study:

- To study the financial changes over a period last five years (2015-2019).
- To study the financial statement of the by using a financial tools.
- To study past and present financial performance of Dhanalakshmi Srinivasan Chit Funds Pvt limited. Perambalur.

Research Methodology:

The research methodology defines what the activity of research is, how to proceed, how to measure progress, and what constitutes success. It provides us an advancement of wealth of human knowledge, tools of the trade to carry out research, tools to look at things in life objectively.

Research Design:

The study is based on secondary data. Data pertaining behaviour of liquidity solvency and profitability position were collection from the balance sheet and profit & loss account of Dhanalakshmi Srinivasan Chit Funds Pvt Limited, Perambalur. The necessary data were obtained from published annual report.

Sample Design:

- Sampling Unit: Financial Statements.
- Sampling Size: Last Five Years Financial Statements (2015-2019).

Sample Size:

Last Five years Financial Statements of Dhanalakshmi Srinivasan Chit Funds Pvt Limited in the firm.

Data Collection Method:

The major source of data for this project was collected through Balance sheet Dhanalakshmi Srinivasan Chit Funds Pvt Limited, Perambalur Profit and loss account of 5 year period from (2015- 2019).

Sources of Data:

- Secondary data.

Limitation of the Study:

- The period considered for the study is the last 5 years balance sheet only. So it is not possible to find out the life time performance of the company.
- Figures are rounded off whenever it was necessary.
- The study is made exclusively on the financial aspects of the company
- Most of the information is collected from the balance sheet.
- Non-monetary factors like human behaviour, their relationship etc are not considered.

Data Analysis and Interpretation:

Common Size Balance sheet in the Year of (2015-2019)

Liabilities	2015	2016	2017	2018	2019
Share Capital	100%	100%	100%	100%	100%
Reserve And Surplus	150.23%	140.22%	134.78%	76.91%	120.63%
Money Received & Share Warrants	-	-	-	-	-
Long Term Borrowing	-	-	-	-	-
Deferred Tax	-	-	-	-	-
Other Long Term Liability	-	-	-	-	-
Long Term Provisions	-	-	-	-	-
Short Term Borrowings	29.31%	591.37%	172.29%	110.08%	68.69%
Trade Payables	199.08%	104.18%	115.86%	79.58%	103.83%
Other Current Liability	121.03%	-	-	-	-
Short Term Provision	107.50%	196.93	68.61%	22.99%	66.71%
Current Liability	-	-	-	-	-
Share Application Money Pending Allotment	-	-	-	-	-
Total Liabilities	155.39%	109.86	117.82	78.92	101.54

Asset	2015	2016	2017	2018	2019
Gross Block	119.43%	123.60%	108.30%	71.39%	125.87%
Depreciation	120.01%	133.91%	115.03%	76.25%	118.04%
Net Block	118.89%	113.87%	100.00%	66.05%	134.46%
Non-Current Investment	100.00%	100.00%	100.00%	100.00%	100.00%
Deferred Tax Assets	-	-	-	-	-
Long Term Loans & Advances	-	-	-	-	-
Current Assets	-	-	-	-	-
Current Investment	138.03%	122.86%	130.84%	94.54%	96.64%
Inventories	-	-	-	-	-
Trade Receivables	-	111.74%	105.42%	89.44%	115.65%
Cash And Cash Equivalences	145.92%	189.59%	84.65	39.37%	64.56%
Short Term Loans & Advances	-	-	-	-	-
Other Current Assets	198.40%	83.45%	120.23%	51.54%	26.73%
Total Assets	155.39%	109.86%	117.82%	78.92%	101.54%

Interpretation:

From the above table it is found that the common size statement of the Liabilities and assets in the years of (2015 to 2019).it liabilities perform the constant stage of share capital (0.00%). And reserve and surplus of increase in 2018 was it (120.23 %). And assets perform in increase in trade receivables (115.65).compare the year of 2018 is better position. And trade receivable fluctuating of (2015-2019).

Suggestions:

Current assets should be increased. Because current ratio is beyond the ideal so, increase of current ratio position. Quick ratio is better so keep it. Proprietary ratio better of Dhanalakshmi Srinivasan Chit Funds Pvt Limited It has good contribute of shareholders.Net profit ratio is a satisfactory. So, profit position is good. So keep it up. Return on assets ratio should to be maintained at higher level because it's beneficial for the company.

Conclusion:

The financial performance of Dhanalakshmi Srinivasan Chit Funds Private Limited, in Perambalur, Have been analyzed successfully. This project of financial performance analysis concern in the firm. A brief knowledge and experience of that how to analyse the financial performance of the firm. According to this project I were came to know that from the analysis of financial statements it is clear that Perambalur District of Dhanalakshmi Srinivasan Chit Funds Private Limited. Have been Profit during the period of study.

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