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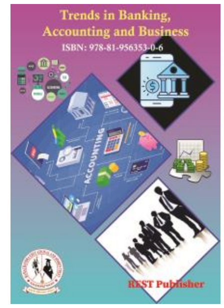

A Study on Financial Statements Facilities with Reference to Kems Shakti Precision Casting Private Limited at Bangalore

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Abstract: *Financial statements are crucial tools used by businesses, investors, and stakeholders to assess the financial health and performance of a company. This study provides a comprehensive analysis of financial statements, focusing on financial performance and key financial ratios. The research utilizes data from publicly available financial statements of various companies to evaluate their financial health and performance. The research begins by examining the importance and purpose of financial statements in providing relevant information to stakeholders for decision-making. It discusses the different types of financial statements, including the balance sheet, income statement, and cash flow statement, and highlights their key components and interrelationships. The research emphasizes the significance of financial statements as a primary source of information for assessing a company's liquidity, solvency, profitability, and efficiency. The research then focuses on financial ratios, which are essential tools for analysing a company's financial statements. The research explains the concept of financial ratios, including liquidity ratios, solvency ratios, profitability ratios, and efficiency ratios, and their interpretations. The research highlights the significance of financial ratios in assessing a company's short-term and long-term liquidity, leverage, profitability, and operational efficiency*

Keywords: *Financial statements, Investors, Stakeholders, Ratio, Cash flows statement*

1. INTRODUCTION

Financial statements are prepared primarily for decision making. The play a dominant role in setting the framework of managerial decisions. But the information provided in the financial statement not an end in itself as no managerial can be drawn from these statement alone. However, the information provided in the financial statement of immense use in making decision through analysis and interpretation of financial statements. Financial analysis it can be process of identifying the financial strengths and weaknesses of the firm by properly establishing relationship between the item of the balance sheet and the profit and loss account. There are various methods used in analysing financial statements, such as comparative statements, trend analysis, common-size statement, schedule of change in working capital, funds flow and cash flow analysis, cost-volume-profit analysis and ratio analysis. The term financial analysis also known as analysis and interpretation of financial statement, refers to the process of determining financial strengths and weaknesses of the firm of the firm by establishing strategic relationship between the item the balance sheet, profit and loss account and other operative data. The term financial statement analysis include both analysis and interpretation. The analysis and interpretation of financial analysis statements the essential to bring out the mystery behind the figure in financial statements. Financial statement to the attempt of determine the significance and meaning of the financial statement data so the forecast may be made of the future earning, ability to pay interest and maturities and profitability of a sound dividend policy.

By financial statements mean two statements:
Profit and loss Account or Income Statement.

Balance Sheet or Position Statement.

These are prepared at the end of a given period of time. The indicators of profitability and financial soundness of the business concern. Through this project, it will provide a comparative analysis of the balance sheet of KEMS SHAKTI PRECISION CASTING PVT. LTD and provide my findings and suggestions regarding the same.

2. OBJECTIVE OF THE STUDY

The main objective of this study is to carry on brief study on "Comparative Analysis of the balance sheet of KEMS SHAKTI PRECISION CASTING PVT. LTD." Other objectives of this project are as follows:

To identify the various assets of KEMS with respect to Annual Reports of the KEMS SHAKTI PRECISION CASTING PVT. LTD.
To study the functioning of the finance department
Comparative study of Two year Annual reports.
To analyse the production, sales and profit trend of KEMS SHAKTI PRECISION CASTING PVT. LTD
To analyse the activity of KEMS SHAKTI PRECISION CASTING PVT. LTD
To analyse the profitability of KEMS SHAKTI PRECISION CASTING PVT. LTD
To analyse the financial structure of KEMS SHAKTI PRECISION CASTING PVT. LTD.AUTO COMPONENTS.LTD
To make suggestion for improvement of financial soundness.

3. SCOPE OF THE STUDY

The main scope of this project can be
The accounts related matters are carry on in the circle office.
The project duration period three months from January to March.
The information relevant to the decision under consideration from total information contained in the financial statement
The information in a way to highlight significant.
Interpretation and drawing if interfaces and conclusion.

4. REVIEW LITEATURE

Azhagaiah R. & Gounasegaran (2020) recognized India's per capita real GDP growth as one of key drivers of growth for country's automobile industry. The central government would be set up various task forces on issue related to taxation, land acquisitions, labour reform and skill development for auto industry.

Anu B. (2015) made an attempt to examine the relationship between capital structure indicators, market price per shares and also to test relationship between debt-equity and market price per share of selected companies in industry. The study concludes that all three companies support the hypothesis that there is relation between debt-equity and MPS.

Agarwal, Nidhi (2015) the study focus on the comparative financial performance of Maruti Suzuki and Tata motors ltd. The financial data and information required for the study are drawn from the various annual reports of companies. The liquidity and leverage analysis of both the firms are done.

Buvaneswari .R & Kanimozhip (2019) to study the credit worthiness of selected firms in Indian car industry, tiruchy. Professor Edward Altman of New York University developed method Z score analysis to predict the company failure or bankruptcy. To measure the fiscal fitness of a company combined a set of five financial ratios

5. RESEARCH METHODOLOGY

Research methodology has a way of systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In it we study the various steps that are generally adopted by a researcher in studying the research problem along with the logic behind them. It can be necessary for the researcher to know not only the research methods/techniques but also the methodology.

6. DATA ANALYSIS

Current Ratio

The current ratio measures the ability of the firm to meet its current liabilities current assets get converted into cash during the operating cycle of the firm and provide the funds needed to pay current liabilities.

Current ratio= current asset/current liabilities

Table shows that comparison of current ratio for five years

YEAR	CURRENT ASSETS	CURRENT LIABILITIES	CURRENT RATIO
2022	142345023	112688679	1.263
2021	106975983	86992075	1.230
2020	88547898	72717570	1.218
2019	86070371	67792197	1.270
2018	79414265	65270761	1.217

QUICK RATION.

The quick ratio is a fairly stringent measure of liquidity. It is based on those current assets which are highly liquid. Inventories are excluded from the numerator of this ratio because inventories are deemed to be the least liquid component of current assets.

Quick ratio = Quick asset / current liabilities

Table shows that comparison of quick ratio for five years.

YEAR	QUICK ASSETS	CURRENT LIABILITIES	QUICK RATIO
2022	110502390	112688679	0.9806
2021	80175808	86992075	0.9216
2020	53629161	72717570	0.7375
2019	53089233	67792197	0.7831
2018	50247611	65270761	0.7698

7. FINDINGS

1. The company's liquidity position, as measured by the current ratio or quick ratio, is strong or weak.
2. The company's debt-to-equity ratio suggests that it is highly leveraged or has a conservative capital structure.
3. The company's profitability, as measured by the return on assets or return on equity, is high or low compared to industry benchmarks.
4. The company's revenue is growing or declining over time.
5. The company's cost structure, as measured by the gross profit margin or operating profit margin, is efficient or inefficient.
6. The company's inventory turnover ratio suggests that it is efficiently managing its inventory or has too much inventory on hand.
7. The company's accounts receivable turnover ratio suggests that it is effectively managing its accounts receivable or has trouble collecting payments from customers.
8. The company's fixed asset turnover ratio suggests that it is making efficient use of its fixed assets or has excess capacity.
9. The company's debt-to-assets ratio suggests that it is taking on too much debt or has a conservative approach to

financing.

8. 10.The company's cash flow from operating activities is positive or negative, indicating whether the company is generating cash or burning through cash

9. SUGGESTION

1. Regularly review and analyse financial statements to stay informed about the company's financial performance and identify areas for improvement.
2. Use financial statements to make informed decisions about investments, financing, and other strategic initiatives.
3. Ensure financial statements are accurate, reliable, and comply with relevant accounting standards and regulations.
4. Provide clear and transparent financial disclosures to investors, creditors, and other stakeholders.
5. Seek the advice of accounting and financial professionals to help prepare and interpret financial statements.
6. Conduct benchmarking analysis to compare the company's financial performance to industry peers and identify areas for improvement.
7. Use financial statements to monitor and control costs, improve efficiency, and increase profitability.
8. Evaluate and adjust financial strategies in response to changes in market conditions, industry trends, and other factors.
9. Establish key performance indicators (KPIs) to track financial performance and measure progress towards strategic objectives.
10. Develop and maintain robust internal controls to ensure the accuracy and integrity of financial statements.

11. CONCLUSION

On studying the financial performance of KEMS SHAKTI PRECISION CASTING PVT. LTD, Hosur for a period of five years from 2018 to 2022, the study reveals that the financial performance is better. KEMS SHAKTI PRECISION CASTING PVT. LTD, Hosur has been maintaining good financial position and further it can improve if the company concentrates on its Administrative and selling expenses and by reducing expenses. The company should increase sales volume as well as gross profit. Despite price drops in various products, the company has been able to maintain and grow its market share to make strong margins in market, contributing to the strong financial position of the company.

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