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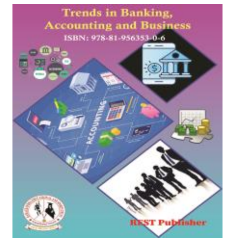

A Study on Risk Analysis to JTEKT India Limited Sriperumbudur Division at Chennai

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Abstract: *Risk analysis was conducted to comprehensively evaluate and address potential risks. The risk analysis process involved utilizing various methodologies and tools to identify, assess, and prioritize risks. Through this analysis, critical risks with significant impacts and likelihoods were identified, allowing for a focused approach to risk management. Recommendations encompassing tailored risk mitigation strategies and control measures are presented to enhance the project's overall risk resilience and ensure successful outcomes. This process helps decision-makers make informed choices and develop strategies to deal with uncertainties effectively. Secondary data collection method has been used. The statistical tools used for data analyzing is current ratio, quick ration and cash ratio. Financial performance of the company it deals with the financial outcome of the performance year by year. It predicts the production and productivity of the firms. The financial performance of the company it includes the overall operations of the firm that is the income and expenses that have been incurred. This study is to measures the JTEKT Indian limited (Chennai). It shows that the liabilities position of the firm has been balanced equally to assets of the balance sheet. They need to speed up the collection, because to get the debtor's balance immediately and to improve the financial position.*

Keywords: *Risk Analysis, Identification, Assessment, Management, Probability, Impact.*

1. INTRODUCTION

Risk analysis is a crucial process in any decision-making framework, be it in business, finance, engineering, or even daily life. It involves identifying potential risks, assessing their likelihood and impact, and developing strategies to manage or mitigate them effectively. By systematically analysing risks, individuals and organizations can make informed decisions, anticipate challenges, and minimize negative outcomes. Whether it's evaluating financial investments, managing project timelines, or ensuring the safety of a product, risk analysis plays a vital role in navigating uncertainty and achieving desired outcomes. Risk analysis process describes the steps you need to take to identify, monitor and control risk. Within the Risk Process, a risk is defined as any future event that may prevent you to meet your team goals. A Risk Process allows you to identify each risk, quantify the impact and take action now to prevent it from occurring and reduce the impact should it eventuate. Analysis and interpretation of the financial statement is the most important step in accounting. To have a very clear understanding of the profitability and financial position of the company. The financial statement has to be analyzed and interpreted.

2. OBJECTIVES OF STUDY

To analyse the "risk analysis of finance with special reference to JTEKT Indian limited". To analyse the risk areas of finance.

To ensure that risks are identified, analysed, and responded to in a consistent manner.

To communicate the results of the risk assessment process to stakeholders.

To provide a basis for monitoring and review of the risk management process.

To ensure that risks are continually reassessed and managed in a proactive manner.

3. SCOPE OF THE STUDY

Scope Creep: The risk of the study expanding beyond its original boundaries, leading to delays and increased resource usage.
Resource Constraints: Risks associated with insufficient resources (time, budget, personnel) to complete the study as planned.
Data Quality: Risks related to the accuracy, completeness, and reliability of data sources and analysis methods.
Stakeholder Expectations: Risks arising from misalignment between stakeholder expectations and the study's outcomes.
External Factors: Risks stemming from external influences such as changes in regulations, market conditions, or technology.

4. LITERATURE REVIEW

Prasanna Chandra (2010): Fundamentals of financial management cover all the aspects of the subject from the basics overview of the financial environment to the financial analysis and financial planning. The basic consists of forms of business organization that give detailed information about the financial management of the organization. Jha DK and D S Sarangi (2011): The financial performance of seven public sector and private sector banks during the period 2009-10. They used three sets of ratios, operating performance ratio, financial ratio, and Efficiency ratio. The study revealed that Axis Bank was at the top of these banks followed by ICICI, BOT, PNB, SBI, IDBI, and HDFC. RamchandanAzhagasahi and SandanvnGejalakshmi (2012): Their study found the impact of assets management operational efficiency and bank size on the financial performance of the public sector and private sector banks. The research revealed that banks with higher total capital deposits and total assets do not always mean that they have better financial performance. The overall banking sector is strongly influenced by asset utilization, Operational efficiency, and interest income. Pawankumar Avdhanam and SriniwasKolluru, RamkrishneFonnd, (2013): In their study, the state bank group other than SBI home finance performed better throughout the period of study. Though there was a decline in PAT for the year 2000-01 then there was a continuous rise in PAT. Most public-sector banks have performed better over years. Dr. (Mrs.) Anita (2014): It is very important for the customer to spend some of their time in banks to avail all services. Relationship marketing should be emphasized on the cooperate staff members and special training should be provided also private banks are ahead of public banks in the strategic intent. Also, in order to keep the customer satisfied the infrastructure of the banks. Naloni studied the service quality model for customers in PSB's she stated that the entry of new private sector banks has led to improve customer service and products. Dr. Richa Jain, Prof. Mitali Amit Shelankar& Prof Bharti Sumit Mirchandani, (2015): Tools / Techniques of financial statement analysis: - The various tools and techniques of financial statement analysis are Trend Percentage Analysis: It is also known as Intra firm comparison in which the financial statements of the same company for a few years are compared for some important series of information. Comparative Statement: These are the statement of financial positions at different periods of time. The financial position is shown in a comparative form over two periods of time.

5. RESEARCH METHODOLOGY

"Research is a careful investigation or inquiry; especially through the search for new facts in any branch of knowledge. It is a systemized effort to gain more knowledge." Research Methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. It is necessary for the researcher to know not only the research methods or techniques but also the methodology. Researcher always needs to understand the assumption underlining various technique and they need to know the criteria by which they can decide that certain techniques and procedures will be applicable to certain problems and other will not. For every comprehensive research a proper research methodology is indispensable it has to be properly conceived. The methodology is followed. The research design refers to the pre-planning of what a researcher does in his study. The design adopted in the study comes under exploratory and evaluator research since the data collected from th e financial statement of the company is analyzed under various financial and tactical tools. The data used in this project is of secondary nature. The analysis used in this project has been done using selective technical tools. In the Equity market, the risk is analyzed and trading decisions are taken on basis of technical analysis.

6. DATA ANALYSIS

- **Tools of data collection:**

CURRENT RATIO:

One of the liquidity ratios is the current ratio. This ratio assesses the firm's ability to meet its current liabilities. This ratio explains the relationship between a firm's current assets and current liabilities.

Current ratio = Current Asset / Current liabilities Table showing the Current Ratio

TABLE 1. Showing the Current Ratio

Financial year	Current asset	Current liability	Current Ratio
2022-2023	101635.48	9638.64	10.5
2021-2022	94566.8	29067.44	3.33
2020-2021	46424.8	27810.86	1.74
2019-2020	36719.25	23323.21	1.60
2018-2019	51404.73	39538.03	1.33

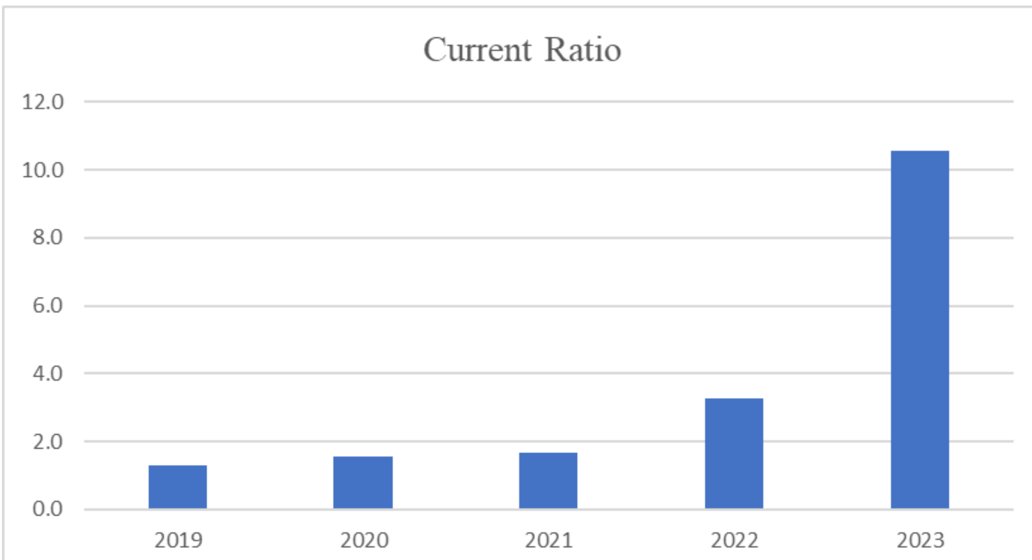

FIGURE 1. Showing a comparison current ratio for five years.

QUICK RATIO:

This ratio is called an acid-test ratio, measures a company`s short term liquidity against its short-term obligations. Essentially, the ratio seeks to figure out if a company has enough liquid assets (cash to cover its current liability and impending debts.

$$\textbf{Quick ratio} = \frac{\textbf{Current assets – inventory}}{\textbf{Current liability}}$$

TABLE 2. Showing the Current Ratio

Financial year	Current assets-inventory	Carret liability	Quick ratio
2018 to 2019	40959.26	39538.03	1.036
2019 to 2020	25935.33	23323.21	1.112
2020 to 2021	33978.12	27810.86	1.22
2021 to 2022	32368.46	29067.44	1.114
2022 to 2023	33890.35	29638.64	1.143

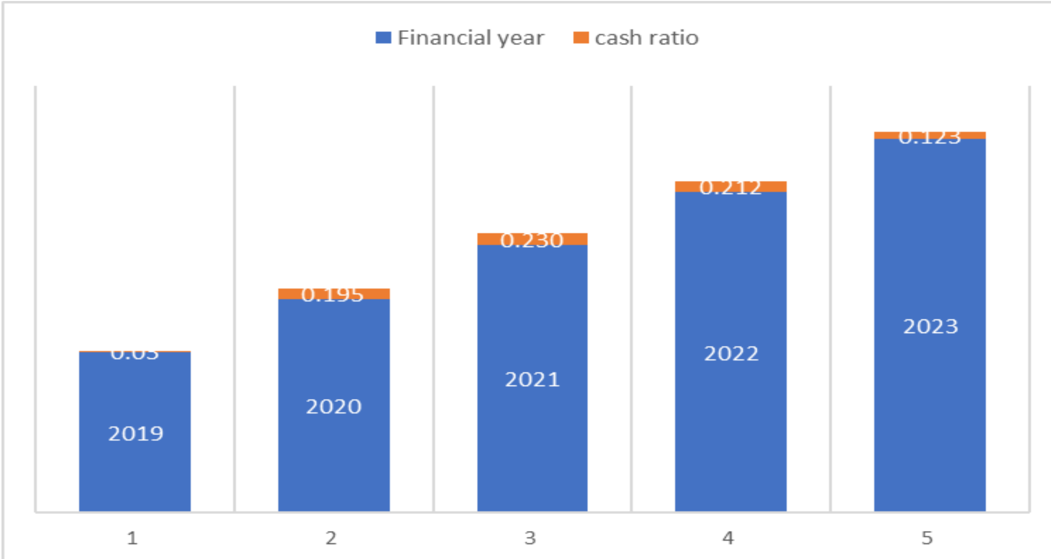

FIGURE 2. A comparison current ratio for five years.

CASH RATIO

The cash ratio is the measures of the company`s liquid. It indicates the company`s ability to pay off its short- term debt obligations with its most liquid assets, which are cash and cash equivalents. It is primarily the ratio between the cash and cash equivalents of a company to its current liabilities.

$$\text{Cash ratio} = \frac{\text{cash equivalents}}{\text{Total current liabilities}}$$

TABLE 3. Showing the Current Ratio

Financial year	Cash equivalents	Total current liability	Cash ratio
2018 to 2019	1121.13	39538.03	0.028
2019 to 2020	4556.69	23323.21	0.195
2020 to 2021	6486.72	27810.86	0.23
2021 to 2022	6151.66	29067.44	0.212
2022 to 2023	3671.81	29.638.64	0.123

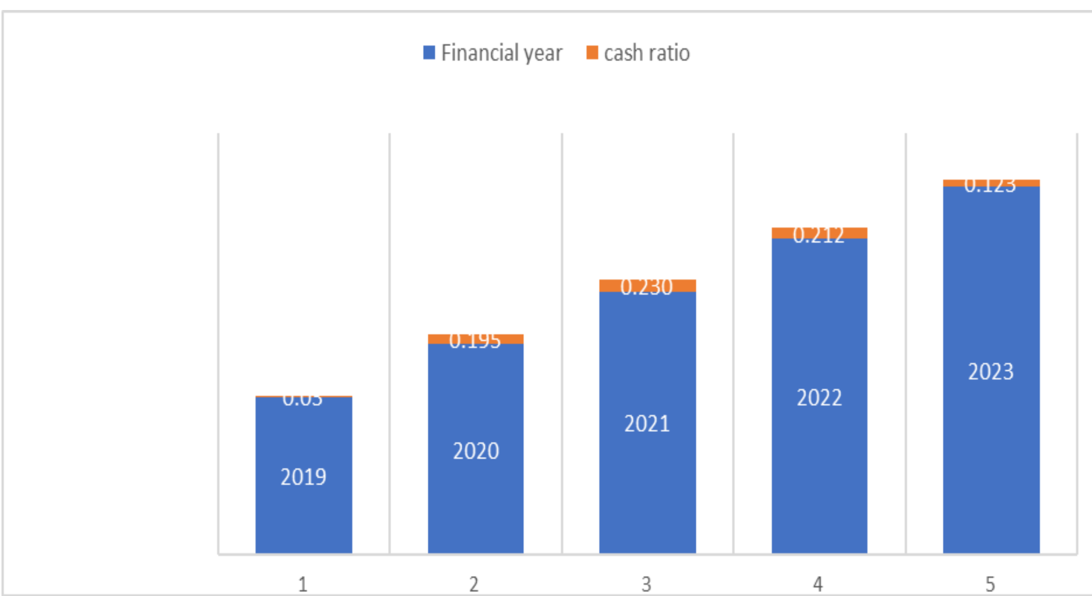

FIGURE 3. Showing a comparison current ratio for five years.

7. FINDINGS

1. From the analysis it reveals that current ratio of the company was high position during the period of 2022 and, it has been lower position during 2019.
2. From the given analysis the acid test ratio of the company has been in a peak point comparing to other five years.
3. The debt-equity ratio of the company it shows that it was a decreased level during the period of 2019 and 2022. There was a magical increase during the period of 2022 and 2023
4. The proprietary ratio if the firm it was a magical continuously decrease flow in the over five years.
5. The gross profit ratio of the firm it was decrease level during the starting stage, and suddenly it was being increased in the period of 2020-2022 and it was decreased in the year of 2023.
6. The net profit ratio of the firm it was an increasing level for the five years 2019-2022 and it was decreased in the year 2023.
7. The capital turnover ratio it was been increased slowly year-by-year from 2019 to 2023.
8. The fixed assets turnover ratio it was been slowly increased year-by-year from 2019 to 2023.
9. The stock turnover ratio magically it has been increased from the period of 2019 to 2023.
10. The debtor’s turnover ratio it was been increased during the starting period from 2019 to 2020. Then it has been decreased during the period from 2021 to 2022.
11. The balance sheet of the firm it reveals it has been fluctuating (increase or decrease) of assets. So, the liabilities of the firm increase year by year.

8. SUGGESTIONS

The assets of the company need to be increased for the financial year. The capital turnover ratio has been satisfactory. So, the company needs to maintain the same position in the future. The investment measures of the company have been increased year by year. So, the company needs to maintain the same position in the future. Profit should be the main focus of the company, so they need to aim to achieve their target to earn profit. The to maintain the firm in a good position. Speed up collection period. The company can speed up the collection period, through this company can get the debtor’s balance immediately and it will improve the financial position.

9. CONCLUSION

Financial performance of the company it deals with the financial outcome of the performance year by year. It predicts the production and productivity of the firms. The financial performance of the company it includes the overall operations of the firm that is the income and expenses that have been incurred. This study is to measures the JTEKT Indian limited (Chennai). This study has been undergone for a period of five years from (2019 to 2023). It shows that the liabilities position of the firm has been balanced equally to assets of the balance sheet. They need to speed up the collection, because to get the debtor’s balance immediately and to improve the financial position. This study includes the sources of trading, profit and loss and balance sheet of JTEKT Indian limited. They need to be concerned about the fixed assets, net profit for future purposes.

REFERENCES

[1]. "Broder and Tucker guide you through analysis to implementation to provide you with the know-how to implement rigorous, accurate, and cost-effective security.

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