

A Statistical Evaluation of Financial Performance: A Case Study of Bill Forge Pvt. Ltd., Bangalore

Mr. D. Karthikeyan¹, Ms. R. Shivani²

¹Dept of Management Studies

²Assitant Professor, Dept of Management Studies

^{1, 2} KARPAGAM COLLEGE OF ENGINEERING , COIMBATORE – 641032

Abstract- Financial performance refers to the overall financial health of the business. Financial analysts often assess the society's liquidity, solvency, efficiency, profitability, operating efficiency and financial stability in both short-term and long-term. The objective of the study is to analyze the financial statement of Bill Forge Pvt Ltd., Bangalore during from 2019-20 to 2023-2024. This study focuses on understanding and analyzing the financial performance of companies, particularly their ability to manage short-term obligations, maintain long-term stability, and generate profits effectively. It emphasizes evaluating operational efficiency and resource utilization to determine how well a company creates value for its shareholders while identifying growth opportunities. The study depends mainly on the secondary data namely the annual reports of the company. Five years annual reports had been collected from the company. Analytical research design is used. The ratio analysis, trend analysis, common size balance sheet and comparative balance sheet tools are used. It is determined that Bill Forge's strong position in the insurance industry is reflected in its financial performance, which has grown and remained stable during the research period. The company's strong profitability metrics and economical use of cash show that it has practiced sound financial management. Bill Forge 's excellent financial strategy and operational efficiency are shown by its capacity to control liabilities while guaranteeing consistent returns to policyholders and stakeholders. The company's sound financial standing puts it in a strong position to meet its long-term obligations and maintain its competitiveness in the changing the industry. It concludes that the organization should improve the overall performance of company the management must take all possible steps to review and modify various policies, cash budgets, inventory status by using sound information management system.

Keywords- Performance analysis, financial performance, profitability and Growth.

I. INTRODUCTION

Financial performance analysis involves a detailed review of financial statements to understand how well a

company manages its resources and obligations. For Bill Forge Pvt Ltd., an industry leader in precision forging and machining, financial health is pivotal to sustaining growth and meeting stakeholder expectations.

INDUSTRY PROFILE

Automotive industry

The main engine of every expanding economy is the automotive sector. An effective transportation infrastructure is essential to a nation's quick industrial and economic growth. This catalytic function is well fulfilled by the well-established Indian automobile sector, which produces a vast array of cars. The auto industry is made up of the auto as well as the auto component industry. In addition to multipurpose vehicles like motorcycles, jeeps, scooters, three-wheelers, and tractors, Along with auto parts including electrical, body, and chassis part, force and transmission parts, suspension and brake parts, and engine parts, it encompasses passenger automobiles as well as light, medium, and large commercial vehicles.

India is now the world's largest motorcycle manufacturer, fifth-largest commercial vehicle manufacturer, largest tractor producer, second-largest two-wheeler manufacturer, and fourth-largest traveller car market in Asia. The Indian auto industry, which sells around a million passenger vehicles annually, is growing extremely quickly and is predicted to reach \$145 billion in the next ten years.

COMPANY PROFILE

Overview

For both the automotive and non-automotive industries, Bill Forge produces a wide range of cold, warm, hot forged, and machined components. Bill Forge is one of the most highly sophisticated manufacturers of forged and machined components today, having accomplished several milestones since starting operations in 1985. One of India's up-and-coming businesses, it operates manufacturing facilities in six different Indian regions. The world's leading

automakers, including reputable OEMs and Tier 1 businesses, are among Bill Forge's clients. Bill Forge offers solutions to satisfy the demanding demands of the modern industry, supported by the company's attitude to be proactive in meeting the requirements of its clients and to continuously enhance every facet of its business model.

VISION

A world-class suppliersatisfying customers, shareholders and employees.

MISSION

Continue to innovate and create goods and services to satisfy societal demands while assisting business partners in identifying enhancements and cost-cutting measures that promote expansion.

QUALITY POLICY

Ensuring client satisfaction with superior production practices and ongoing enhancements.

ENVIRONMENT POLICY

Bill Forge will do everything in his power to consistently recognize the importance of environmental protection. We will make sure that its business practices and goods are in line with these demands while also adhering to all legal obligations.

SAFETY POLICY

To attain and maintain a ZERO ACCIDENT facility, we will try to give our staff a safe working environment by utilizing the finest techniques, equipment, and training possible.

Strengths

- Precision Engineering
- Satisfied Customer base
- Flexibility of batch and mass production
- Integration of appropriate technology with skilled workforce
- Reliable network of suppliers
- Single source supplier to many automobiles manufacturers
- Competitive pricing based on continuous improvement and value engineering

ISO Certification

- ISO/TS16949
- OHSAS18001
- ISO 14001
- Ford Q1 Certification

Clientele

- Ashok Leyland
- Bajaj
- BorgWarner
- Bosch
- Endurance
- Hero
- Honda
- Maruti Suzuki

OBJECTIVES OF THE STUDY

Primary objectives:

- To study on financial performance analysis of Bill Forge Pvt Ltd., Bangalore

Secondary objectives:

- To analyse the short-term solvency of the company
- To measure the long-term solvency position of the company
- To study the effective utilization of the company
- To ascertain and understand the operating efficiency of the company
- To analyse the present financial and future financial position of the company

II. REVIEW OF LITERATURE

Sridevi V (2019)In every way, banking contributes significantly to the expansion and advancement of the Indian economy. The study's primary goal is to use the CAMEL grading system to compare and assess the financial performance of a few chosen institutions. Websites, journals, magazines, bulletins, periodicals, newsletters, internal bank reports, and yearly reports of the institutions were the sources of the secondary data required for the study. The CAMEL framework was used to examine the data.

R. Ramachandran (2019)The in attendance learn deals with the “Financial Performance Evaluation of Alangulam Primary Agriculture Co-Operative Credit Society”. Since the market is

now internationally competitive in this age of liberalization, privatization, and globalization, an organization ability to survive depends on its accuracy and efficiency.

Sharmila.P (2019), The company's total performance may be gauged with the aid of financial performance. This study uses ratio analysis, including liquidity, solvency, profitability, and trend analysis of the firm, to look at Hindustan Unilever Limited's (HUL) financial performance. Data is gathered for the research in order to analyze the company's financial performance during the previous five years.

K. Keerthi and S. Eswari (2020) The main objective of this article is to analyze the bank's overall financial status using ratio analysis. It shows if the business is improving or deteriorating during the past few years. The KCCB annual reports from the preceding five years are the primary source of secondary data used in the whole research. Comparisons inside and between businesses are based on ratio analysis. The purpose of the visual representations is to improve comprehension.

Dr. Shobha Edward (2019), Since money is seen as a corporate organization's source of support, research on an institution's financial performance becomes important. As a result, the researcher has chosen to look at the financial accounts. Money is one of the basic necessities of all forms of fiscal activity in the current materialistic economy. It is the ultimate solution that provides access to all the sources involved in industrialization and marketing activity.

JichangDongab&LijunYin (2020) The way commercial banks operate has undoubtedly been impacted by the explosive expansion of Internet finance. The impact of Internet finance on commercial banks is examined in this study. The effect First, a theoretical examination of commercial banks' use of Internet finance is carried out. The Internet finance index and the integrated performance index for commercial banks are then developed using factor analysis

III. RESEARCH METHODOLOGY

The planning, data gathering, analysis, and interpretation phases of research are all included in the methodical and structured technique known as research methodology. It acts as a framework that directs the scientific inquiry process, assisting researchers in creating surveys, experiments, or studies to address certain research topics or evaluate hypotheses.

a. Study area

The study area is Bill Forge Pvt Ltd., Bangalore.

b. Design of the study

The conceptual framework in which research is carried out is known as the investigate plan. For the study, the researcher employed an logical research design. Analytical research is a sort of study in which the materials are critically evaluated by analyzing the facts or information that is already accessible. The investigation focuses on evaluating Bill Forge Pvt Ltd.'s financial health. An analytical approach is adopted to gain a deeper understanding of the matter, leveraging minor data from a variety of source for a thorough assessment.

c. Source of the data

An essential component of any kind of research project is data collection. A study's findings may be impacted by inaccurate data collecting, which might eventually provide erroneous results. There is a continuum of data gathering techniques used in impact evaluation. Quantitative approaches to data collecting are at one extreme of this spectrum, while qualitative approaches are at the other.

Primary Data

Interaction with different department heads in their respective fields is the best way to get first-hand information. A questionnaire sent to clients is the tool used to gather primary data.

Secondary Data

Secondary data is information gathered from pre-existing sources. Information from prior studies, data from any published or unpublished sources inside or outside the company, library records, online data, websites, and the internet are a few examples of secondary data sources. The internet, books, websites, and yearly reports provided the secondary data for this study.

d. Sampling technique

The example technique is the procedure of looking at the inhabitants by collecting information and analyzing data. It is possible to distinguish between two different kinds of sampling procedures. In this study, the probability sampling approach was used.

Sampling Design

A sample design is a particular method for choosing a sample from a population. Systematic sampling is used in the design.

Population

Last five years yearly information of the company such as equilibrium sheet and profit & loss account statements of the company Bill Forge Pvt Ltd., Bangalore five-year timeframe, specifically from the fiscal years 2019-2020 to 2023-2024 are population.

e. Sample size

The sample size is last five years annual reports of the company Bill Forge Pvt Ltd., Bangalore from the year 2019-20 to 2023-24.

f. Analytical tools and methods

The statistical Analysis is the process of systematically characterizing and depicting, summarizing, and evaluating data using logical and/or statistical techniques. Throughout the study, the researcher employed a range of instruments to assess and analyze the following data.

- Ratio Analysis
- Trend Analysis
- Common size Statement
- Comparative Balance Sheet

IV. FINDINGS

- Current ratio has decreased from 1.48 to 1.42 in the year of 2019-2020 and 2020-21.
- Quick ratio has increased to 0.80 in the year of 2021-22. It has decreased to 0.70 in the year of 2022-23.
- Cash ratio has increased to 0.37 in the year of 2023-24.
- Gross profit ratio has decreased from 43.51 to 42.55 in the year of 2019-2020 to 2020-21.
- Operating profit has increased to 17.08 in the year of 2023-24.
- Net profit ratio has further increased to 9.68 in the year of 2023-24.
- Return on investment ratio has increased from 0.26 to 0.30 in the year of 2019-2020 to 2020-21.
- Inventory turnover ratio has again increased to 3.37 in the year of 2021-22.

V. SUGGESTIONS

- Current assets like cash and bank balances which are in excess can be converted into investments which can earn profits for the company.
- Inventory should be increased in future to larger extent which increases sales and contribute to huge profits for the company.
- Company can go for manageable debt and thus can take benefits relating to tax for the future years.
- If the company will took any precautionary methods to reduce all the expenses then the prodigality of the company will goes up.
- The company has to reduce its operating expenses which are within the control of the company. The company can make a good amount of profit by diversifying the existing production or by manufacturing new products.

VI. CONCLUSION

After analyzing the financial statements of Bill Forge Pvt Ltd., Bangalore during the five financial years, it is clear that the financial position of the company is in favorable. We can say that there should be an efficient financial management system in the organization. It should overcome the adverse condition and minimize its losses and protect firm from facing the negative condition of liquidity. In tomorrow's economy the world will belong to those who are open to creative, imaginative and flexible to changes, having open mindless, strength of taking risk and an innovative spirit. These entire characteristics can lead the company on a successful path.

REFERENCES

- [1] Khan M.Y & Jain P.K, Financial Management, Tata McGraw Hill publishing company Limited, New Delhi, Second edition, 1992.
- [2] Shashi K. Gupta & Sharma R.K, Financial management – Theory and practice, Kalyani publishers, New Delhi, Third revised and enlarged edition, 2000.
- [3] Prassannachandra, Financial Management – Theory and practice, Tata McGraw Hill publishing company Limited, New Delhi, third edition, 1994.
- [4] Dr. Maheshwari S.N, Financial Management – principles and practice, Sultan chand and sons, New Delhi, third revised and enlarged edition, 1993.
- [5] Kulkarni.P & Satya Prasad B.G, Financial management, Himalaya house, Mumbai, 19th revised edition, 1999.
- [6] Kothari.C.R, Research Methodology, Wishwaprakash Publishers, New Delhi, second edition, 1999.
- [7] Pillai.R.S. N, statistics, S. chand and company Ltd., New Delhi, first edition, 1999.