



A Study On Financial Performance Of Cs Aluminium

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Abstract

This study aims to evaluate the financial performance of CS Aluminium over a specified period, with a focus on assessing the company's profitability, liquidity, solvency, and operational efficiency. By analyzing key financial ratios and indicators derived from the company's income statements, balance sheets, and cash flow statements, the research provides insights into the overall financial health and sustainability of the business.

Keywords: Financial Performance, CS, Ratio Analysis, Profitability, Liquidity, Solvency.

Introduction:

The research will utilize financial data, including balance sheets, income statements, and cash flow statements, which will be analysed using a variety of financial tools, such as ratio analysis, trend analysis, and comparison with industry benchmarks. The findings of this study are crucial for investors, stakeholders, and management in making informed decisions.

This analysis will help identify the strengths and weaknesses of the company's financial structure, the effectiveness of its operational strategies, and its ability to adapt to industry trends. The study also aims to provide insights that could guide future investment decisions and corporate strategies for CS Aluminium.

OBJECTIVES OF THE STUDY

- To analyze the trend in CS Aluminium.
- To analyze the liquidity, profitability, solvency and turnover ratios of the company.
- To compare the balance sheet items for 5 years of CS Aluminium.

RESEARCH METHODOLOGY

The collected data were presented in tables and these tables were analyzed systematically. Ratio analysis, the vital financial tool was used to study the financial performance of CS ALUMINIUM. Charts and various diagrams are used to explain the analysis clearly.

DATA ANALYSIS AND INTERPRETATION**TREND ANALYSIS**

Particulars	2020	2021	2022	2023	2024
EQUITIES AND LIABILITIES					
SHARE HOLDERS FUND					
Equity share capital	100%	100%	100%	100%	100%
Reserves and Surplus	-1.14%	-2.17%	40%	58%	89%
Total shareholder's funds	-179.29%	-313.38%	25%	46%	64%
LIABILITIES					
NON-CURRENT LIABILITIES					
Long Term Borrowings	0%	0%	90%	90%	98%
Total Non-current liabilities	0%	0%	90%	90%	98%
CURRENT LIABILITIES					
Other Current Liabilities	82.20%	2%	37%	59%	97%
Short Term Provisions	3.58%	45.62%	55.7%	62%	97%
Total current liabilities	1141%	7674%	7965%	8004%	8407%
Total liabilities	1291%	1485%	1592%	1679%	1808%

ASSETS					
NON-CURRENT ASSETS					
Fixed assets					
Tangible assets	43%	43%	56%	61%	72%
Total non-current assets	43%	43%	56%	61%	72%
CURRENT ASSETS					
Inventories	24.26%	25.3%	27.4%	29.62%	32%
Cash and Cash Equivalent	1.19%	0.50%	2%	3.7%	5.9%
Short Term loans and advances	78.91%	122.9%	177.5%	206%	279%
Other Current assets	2.49%	0%	3.7%	5.29%	6.92%
Total current asset	1366%	1572%	1790%	1954%	2040%
Total assets	1291%	1485%	1592%	1679%	1808%

Total shareholders fund

Year	2020	2021	2022	2023	2024
Total shareholder's funds	-179.29%	-313.38%	25%	46%	64%

INTERPRETATION

- The graph shows decrease in shareholders fund in the year 2020. It doesn't represents favorable market conditions for the shares of the company.
- Company is not having goodwill in the market thus people are not purchasing the shares of the company.
- Increases in the total capital stock may negatively impact existing shareholders since it usually results in share dilution.
- It is a not a good sign to investors and analyst if a company can has amount of additional stock without seeing a significant drop in share price.

RATIO ANALYSIS

PARTICULARS	2020 (Rs)	2021 (Rs)	2022 (Rs)	2023 (Rs)	2024 (Rs)
EQUITIES AND LIABILITIES					
SHARE HOLDERS FUND					
Equity share capital	15,00,000	15,00,000	15,00,000	15,00,000	15,00,000
Reserves and Surplus	-17,10,000	-32,55,000	21,00,000	23,70,000	28,35,000
Total shareholder's funds	-2,10,000	-17,55,000	36,00,000	38,70,000	43,35,000
LIABILITIES					
NON-CURRENT LIABILITIES					
Long Term Borrowings	-	-	13,50,000	13,50,000	14,70,000
Long Term Provision					
Total Non-Current liabilities	-	-	13,50,000	13,50,000	14,70,000
CURRENT LIABILITIES					
Short Term Borrowings	40,34,500	42,33,940	-	-	-
Trade payables					
Other Current Liabilities	27,33,000	15,30,000	20,55,000	23,85,000	29,55,000
Short Term Provisions	15,52,500	21,84,300	23,36,250	24,30,000	29,55,000
Total current liabilities	83,20,000	79,48,240	43,91,250	48,15,000	59,10,000
Total liabilities	81,10,000	61,93,240	93,41,250	1,00,35,000	1,17,15,000
ASSETS					
NON-CURRENT ASSETS					

Fixed assets					
Tangible assets	21,45,000	21,45,000	23,40,000	24,15,000	25,80,000
Total Non-current Asset	21,45,000	21,45,000	23,40,000	24,15,000	25,80,000
CURRENT ASSETS					
Inventories	18,63,000	17,97,240	19,11,000	19,44,300	19,80,000
Trade Receivables	-	-	-	-	-
Cash and Cash Equivalent	17,500	7,500	30,000	55,500	88,500
Short Term loans and advances	25,83,650	22,43,500	35,04,750	40,40,850	54,62,700
Other Current assets	15,00,850	-	15,55,500	15,79,350	16,03,800
Total current asset	59,65,000	41,30,500	70,01,250	76,20,000	91,35,000
Total assets	81,10,000	61,93,240	93,41,250	1,00,35,000	1,17,15,000

Current ratio = current asset / current liability

Year	Current asset	Current Liability	Current Ratio
2020	59,65,000	83,20,000	0.72
2021	41,30,500	79,48,240	0.52
2022	70,01,250	43,91,250	1.59
2023	76,20,000	48,15,000	1.58
2024	91,35,000	59,10,000	1.54

INTERPRETATION

The above table shows the value of current ratio. The standard norm for current ratio is 2:1. The current ratio is less than the standard norm, From 2020-2024 the current ratio of the company is less than 2.

Quick ratio = Quick assets / Current liabilities

Year	Quick assets	Current Liability	Quick ratio
2020	41,02,000	83,20,000	0.49
2021	23,33,260	79,48,240	0.29
2022	50,90,250	43,91,250	1.16
2023	56,75,700	48,15,000	1.18
2024	71,55,000	59,10,000	1.21

INTERPRETATION

The above table shows the value of Quick ratio. The standard norm for quick ratio is 1:1. The quick ratio decreases in the year 2020 and 2021(0.29&0.49) and it has increased in the year 2022 to 2024 (1.16,1.18,1.21). Higher the quick ratio shows company's better liquidity and financial health. Lower the ratio is likely the company will struggle with paying debts.

SUGGESTIONS

- The company should try to improve and maintain its efficiency regarding the management of investors.
- The company may increase its liquidity position through investing in readily marketable securities thereby maintaining sufficient working capital.
- Management must achieve the targets by utilizing the current assets and reducing the current liabilities.
- To increase net profit at higher rate designed risk management systems should be taken.

CONCLUSION

Analysis and Interpretation of financial statements is an important tool in assessing company's performance. It reveals the strengths and weakness of a firm. Based on the data available the trend of the company can be predicted in near future. This project of comparative study on financial statement analysis is not merely a work of the project but a brief knowledge and experience of that how to analyze the financial performance of the firm. The study undertaken has brought into the light of the following conclusions. According to this project I came to know that from the analysis of financial statements it is clear that CS ALUMINIUM have been incurring profit during the period of study. So the firm should focus on getting of more profits in the coming years by taking care internal as well as external factors. The financial performance of the company for the five years is analysed and it is proved that the company is financially sound.

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