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A Study on "Financial Performance Analysis" with Special Reference to Sharekhan Private Limited, at Bangalore

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ABSTRACT

The present study deals with the "Financial Performance of the industry". In this present era of Liberalization, Privatization and Globalization the Market has become globally competitive; hence the survival of an enterprise depends upon the efficiency and accuracy. Hence, it is necessary to evaluate the financial performance to know whether the companies stand in the market and how they can improve further in the future by knowing their shortcomings. In the present study, the Researcher has discussed the Liquidity, Profitability, Efficiency and Leverage of both the companies to arrive at any conclusion. This research is undertaken a study on Financial Performance Analysis of the industry. The importance is based on the objectives of financial performance.

INTRODUCTION

Here's a sample Introduction for a project or study titled "A Study on Finance Performance Analysis with Special Reference to Sharekhan Private Limited at Bangalore":

In the dynamic and ever-evolving landscape of the Indian financial market, the role of financial performance analysis has become increasingly vital for organizations aiming to sustain profitability and competitive advantage. Financial performance analysis serves as a critical tool for evaluating an organization's financial health, operational efficiency, and strategic positioning. This study focuses on Sharekhan Private Limited, one of India's leading retail brokerage firms, with specific reference to its operations in Bangalore.

Sharekhan, a subsidiary of BNP Paribas, offers a wide array of investment services including equity trading, portfolio management, research advisory, and wealth management. With the rapid growth of financial services and increased participation of retail investors in the Indian stock market, understanding the financial performance of a major brokerage firm like Sharekhan provides valuable insights into industry trends and benchmarks.

The primary aim of this study is to analyze the financial performance of Sharekhan in terms of profitability, liquidity, solvency, and operatonal efficiency. The study also explores how external market conditions, regulatory frameworks, and competitive pressures impact the company's performance in a metropolitan market like Bangalore. By employing financial ratio analysis, trend analysis, and other financial tools, this research attempts to provide a comprehensive overview of Sharekhan's financial standing and its implications for stakeholders.

RESEARCH BACKGROUND

Financial is the life blood of business. it is very important for industry and commerce as lubricant for wheels, narrow for bones and blood for arteries. In modern time, no trade, industry or commerce can operate its activities without finance. Finance is needed for establishing developing and operating the business efficiency without proper financing, even the best project remains a futile exercise and if the project is put into operation, many problem crop up in its execution and control.

Sometimes it is not the inadequate finance with is the cause of business, but the mismanagement of resources which is ultimately responsible for it. The survival and growth of a firm is possible only if it utilizes its funds in a right manner. Therefore, it is correct to say that without efficiency financial management no business can proper and grow. Hence the success of a business depends on proper supply of finance and its efficient management.

Financial performance analysis describes the methods that those examining the affairs of a business use to evaluate and assess its financial activity. Financial performance refers to the overall financial health of the business. Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. The term is also used as a general measure of a firm's overall financial health over a given period.

INDUSTRY PROFILE

India has a diversified financial sector undergoing rapid expansion both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payment banks to be created recently, thereby adding to the type of entities operating in the sector. However, the financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

COMPANY PROFILE

Founded in 1995, Sharekhan was one of the first brokers to introduce online trading in India. With a client base of over 31 lakhs, 120+ branches, and 4400+ business partners, Mirae

Asset Sharekhan's full-service model is Designed for the Serious. What differentiates Mirae Asset Sharekhan from discount brokers is our in-house expert Research team, RMs, and branches that are designed to help customers understand the required serious approach and leverage the power of our experience and expertise. Mirae Asset Sharekhan offers a comprehensive range of trading and investment solutions, including equities, futures and options, portfolio management services, research, mutual funds, and investor education.

Mirae Asset Sharekhan is an Indian brokerage firm. The company operates over 120 branches in India, serving 3.1 million clients

In these 25 years, Mirae Asset Sharekhan has become a household name among investors and traders alike. Our full-service model emphasises a robust approach and is ideal for those who believe in a solid approach involving Serious Research, Serious Risk Analysis and Serious Discipline.

REVIEW OF LITERATURE

A literature review on this topic typically examines how different financial ratios, like liquidity and profitability ratios, are used to assess a company's financial performance and how these ratios can be used to identify strengths and weaknesses

LITERATURE REVIEW

Angel Uruburued all (2019) in her research "A study on financial performance of selected companies in India" from the year they made an attempt to know the profitability and financial position of selected companies. Tools that used for the study is profitability ratio, overall financial position. They found that the overall financial performance of selected companies was not stable. It fluctuates. To strengthen the financial position, long term funds have to be used to finance. The companies should try to use properly their operating assets and minimize their non-operating expenses.

Jih-Ming Chyan ed all (2020) The study explored that ratios are calculated from financial statements which are prepared as desired policies adopted on depreciation and stock valuation by the management. Ratio is simple comparison of numerator and a denominator that cannot produce complete and authentic picture of business. Results are manipulated and also may not highlight other factors which affect

RESEARCH METHODOLOGY

The Performance of evaluation of the study is based on the secondary data collected from the annual reports, journal and magazine. The evaluation drawn and recommendations made are based of the facts, graphs and diagrams which are given to represent statistical data of the study.

RESEARCH DESIGN

Research is a process in which the researchers wish to find out the end result for a given problem and thus the solution helps in future course of action. The research has been defined as "A careful investigation or enquiry especially through search for new facts in branch of knowledge"

DATA EVALUATION

In order to the objectives of the study ,the present study evaluation the data drawn from the set sources in different ways, the data obtained have been duly classified and analysed as per the required of the study. Statistical measures like mean, co-efficient of variation, have been applied.

DATA ANALYSIS AND INTERPRETATION

1. CURRENT RATIO

Current ratio is the most common ratio for measuring liquidity. The current ratio is the ratio of total current assets to total current liabilities. Current ratio of affirm measures its term solvency i.e. ability to meet short term obligations. Current assets mean assets that will either be used up or converted into cash within a year's time or during the normal operating cycle of the business, whichever is longer.

Current assets = $\dfrac{\text{Current assets}}{\text{Current liabilities}}$

TABLE NO 1

CURRENT RATIO

Year	Current Assets	Current Liabilities	Ratio
2019-20	6224.64	4008.93	1.55
2020-21	7187.48	4476.21	1.61
2021-22	7684.85	4548.44	1.69
2022-23	8320.50	5436.36	1.53
2023-24	7957.81	5175.62	1.54

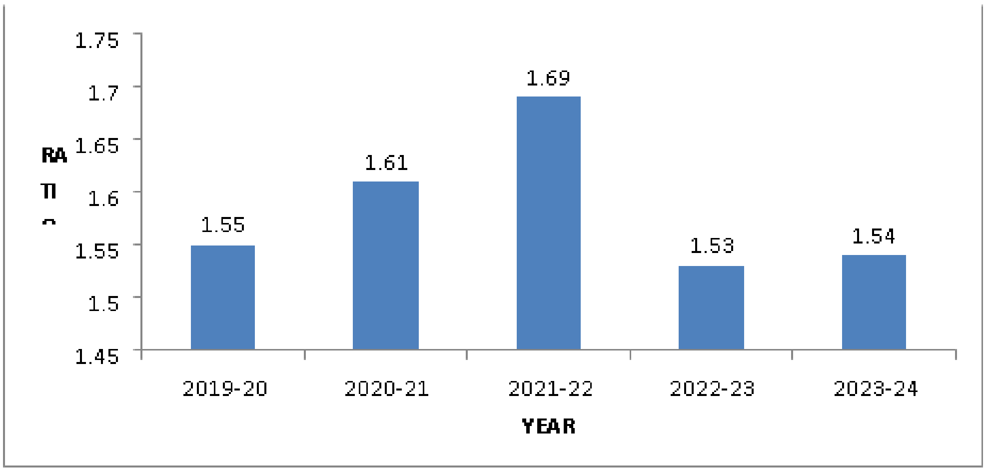
Source: secondary data

INTERPRETATION

The current ratio is a measure of firm's short term solvency. It indicates the availability of current assets in rupees for every one rupee of current liability. As conversion role, during the year 2019-20 to 2023-24 the current ratio was 1.55 which is increased to 1.61 the next year. The next year 2021-22 is again increased to 1.69. The last year it was decreasing to 1.54 in 2023-24. The current ratio is decreasing trend.

CHART NO .1

CURRENT RATIO



2. LIQUIDITY RATIO

The term "liquidity" refers to the ability of a firm to pay its short-term obligation and when they become due The term quick assets or liquid assets refers current assets which can be converted into cash immediately and it comprises all current assets except stock and prepaid expenses it is determined by dividing quick assets by quick liabilities.

Liquidity ratio = $\dfrac{\text{Liquid assets}}{\text{Current liabilities}}$

TABLE NO 2

LIQUIDITY RATIO

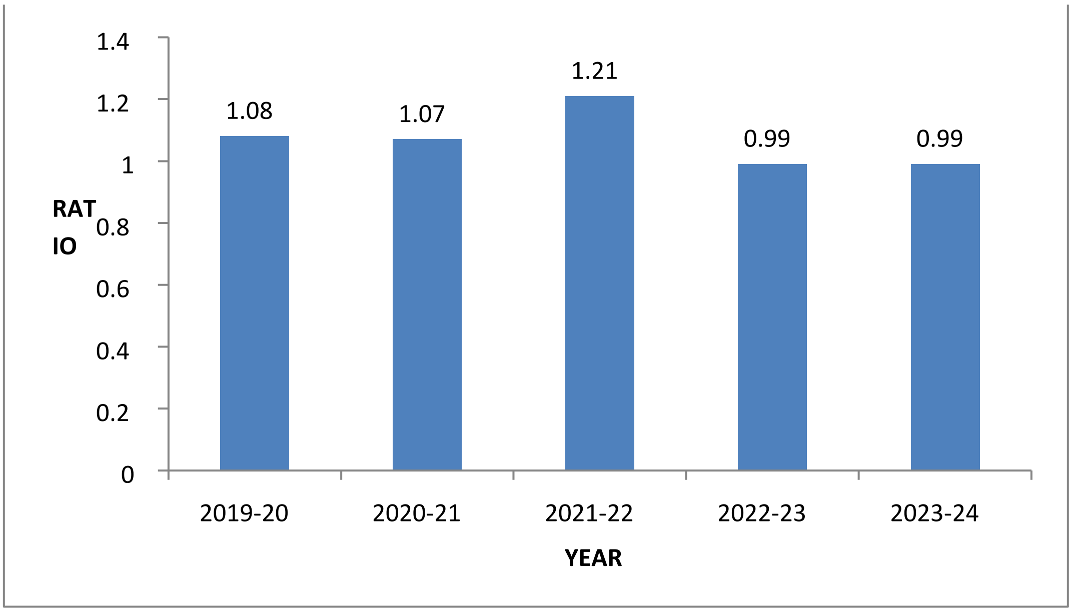
Year	Liquid assets	Current Liabilities	Ratio
2019-20	4344.9	4008.93	1.08
2020-21	4794.56	4476.21	1.07
2021-22	5512.78	4548.44	1.21
2022-23	5369.57	5436.36	0.99
2023-24	5105.12	5175.62	0.99

Source: secondary data

INTERPRETATION

The above table shows that the liquidity ratio during the study period is 1.08 in the year of 2019-20 and further increased to 1.21 in 2020-21. Then next year of 2022-23 it was decreased to 0.99. Then last year of 2023-24 it same level of previous year. And it has been fluctuating and is below the normal ratio. Hence the firm is not controlling its stock position because there are linear relationship between current ratio and liquidity ratio.

CHART NO 2



LIQUIDITY RATIO

CONCLUSION

The present study aimed to evaluate the financial performance of Sharekhan Private Limited with a special focus on its operations in Bangalore. The analysis was carried out using various financial tools and techniques such as ratio analysis, trend analysis, and comparative assessments, which helped in understanding the company's financial health and operational efficiency.

Based on the findings, it is evident that Sharekhan maintains a stable financial position, backed by consistent revenue growth and effective cost management. The firm demonstrates strong liquidity and solvency ratios, indicating its ability to meet short-term obligations and maintain financial stability in the long run. The profitability ratios suggest that Sharekhan has managed to achieve sustainable returns, which reflects the effectiveness of its business model and strategic planning.

Furthermore, the study also revealed that Bangalore, being a major metropolitan city with a growing base of investors and traders, provides a significant market for Sharekhan’s services. The firm has effectively leveraged its brand reputation, technological platforms, and customer service to cater to this market. However, challenges such as increasing competition, regulatory changes, and fluctuating market conditions continue to pose risks to its growth and profitability.

In conclusion, Sharekhan's financial performance in Bangalore reflects sound financial management and a strong market presence. Continuous monitoring, strategic diversification, and innovation in service delivery will be key to maintaining and enhancing its performance in the future. This study also underscores the importance of financial analysis in making informed decisions for stakeholders, including investors, management, and regulatory bodies.

The ij current ratio is a measure of firm's short term solvency. It indicates the availability of current assets in rupees for every one rupee of current liability. As conversion role, during the year 2019-20 to 2023-24 the current ratio was 1.55 which is increased to 1.61 the next year. The next year 2021-22 is again increased to 1.69. The last year it was decreasing to 1.54 in 2023-24. The current ratio is decreasing trend.

FINDINGS

1. The fixed assets ratio during the period 2019-20 to 2023-24. The table indicates that the company has 0.79 in the year of 2019-20 then it was decreased to 0.74 in the year of 2020-21 and 2021-22 then it was again increase to 0.77 in the year of 2022-23. The final year of 2023-24 has increased to 0.88. So the fixed asset ratio is increasing trend.
2. The liquidity ratio during the study period is 1.08 in the year of 2019-20 and further increased to 1.21 in 2020-21. Then next year of 2022-23 it was decreased to 0.99. Then last year of 2023-24 it same level of previous year. And it has been fluctuating and is below the normal ratio. Hence the firm is not controlling its stock position because there are linear relationship between current ratio and liquidity ratio

SUGGESTIONS

- The firms have low current ratio so it should increase its current ratio where it can meet its short term obligation smoothly.
- Liquidity ratio of the firm is not better liquidity position in over the years. So I suggested that the firm maintain proper liquid funds like cash and bank balance.
- The firm high inventory so I suggested that the firm must reduce the stock and increase sales.
- The direct material cost of the firm is very high so it's my suggest to the firm that to decrease the direct material cost by purchasing raw material from the other suppliers.
- The firms should have proper check on the manufacturing process of the firm.

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