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## A Study on the Evaluation of Financial Performance of India Seah Precision Private Limited

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### ABSTRACT

This study examines the financial performance of India SeAH Precision Metal Private Limited (ISPM), a leading manufacturer of precision tubing components for HVAC and automotive applications in India. The research utilizes ratio analysis, vertical and horizontal analysis, and comparative financial statements to assess ISPM's profitability, liquidity, solvency, and operational efficiency over a defined period. The findings provide insights into the company's strengths, weaknesses, and strategic positioning in the rapidly evolving Indian manufacturing sector. The study further contextualizes ISPM's performance within the broader trends of the Indian manufacturing industry, highlighting the impact of technological innovation, government policy, and global economic factors

**Keywords:** Financial performance, Ratio analysis, Manufacturing sector, India, Precision tubing, ISPM, Case study

### INTRODUCTION

Financial performance analysis is a censorious process for assessing the economic health and operational efficiency of a business. By examining financial statements, ratios, and trends, analysts and stakeholders can evaluate how effectively an organization utilizes its resources to generate profits and ensure long-term sustainability (White et al., 2003). In today's dynamic and competitive business environment, stakeholders—including investors, management, creditors, and regulators—rely heavily on financial analysis to make informed decisions (Brigham & Ehrhardt, 2022).

This study focuses on the financial performance of India SeAH Precision Metal Private Limited (ISPM), a prominent manufacturer in the Indian precision tubing industry. By employing a range of financial analysis tools, the research aims to evaluate ISPM's resource management and identify factors contributing to its recent growth and challenges

#### Industry Profile

The manufacturing sector is a foundation of India's economic growth, contributing approximately 16–17% of the country's GDP prior to the COVID-19 pandemic and projected to be one of the fastest-growing sectors in the coming years (Ministry of Commerce & Industry, 2024).

Recent data indicate strong growth in India's manufacturing output. The HSBC Manufacturing Purchasing Managers' Index (PMI) reached a 16-year high of 59.1 in March 2025, reflecting strong increases in output, new orders, and job creation (HSBC, 2025). The government's initiatives, such as the National Manufacturing Policy and Production-Linked Incentive (PLI) schemes, aim to increase the sector's share of GDP to 25% by 2025 and position India as a global manufacturing hub (Ministry of Finance, 2025).

### OBJECTIVE OF THE STUDY:

#### PRIMARY OBJECTIVES:

- To realize the financial performance of the India SeAH Precision Metal Private Limited.

#### SECONDARY OBJECTIVES:

- To estimate the trend in current asset, current liability, sales and profitability.
- To assess the financial position of the organization in terms of profitability.
- To analysis the growth of liquidity ratio and profitability.

**DATA ANALYSIS AND INTERPRETATION:****TREND ANALYSIS:****1.SALES:****(In Crores)**

YEARS	TREND PERCENTAGE
2019-2020	100
2020-2021	201.4
2021-2022	257.5
2022-2023	307.3
2023-2024	350.6

**INTERPRETATION:**

The sales trend analysis shows a remarkable and consistent growth pattern, with a 250.6% increase from 2019-2024. This significant rise indicates the company's strong market presence, effective sales strategies, and potential expansion into new markets or segments. The steady growth suggests a positive business trajectory, increasing customer base, and potential for future revenue growth.

**2.PROFIT:****(In Crores)**

YEARS	TREND PERCENTAGE
2019-2020	100
2020-2021	32.80
2021-2022	53
2022-2023	42.2
2023-2024	75.4

**INTERPRETATION:**

The profit trend analysis shows a fluctuating pattern. After a significant decline in 2020-2021, profits increased in 2021-2022, then declined again in 2022-2023. However, the company saw a remarkable recovery in 2023-2024. Despite the fluctuations, the profit in 2023-2024 is still 24.6% lower than the base year (2019-2020). This trend may indicate challenges in maintaining profitability, potential cost pressures, or market competition.

**RATIO ANALYSIS:****RATIO ANALYSIS:****1.CURRENT RATIO:**

CURRENT RATIO=CURRENT ASSETS /CURRENT LIABILITIES

**(In Crores)**

YEAR	CURRENT ASSETS	CURRENT LIABILITIES	RATIO
2019-2020	50.52	41.88	1.20
2020-2021	72.08	61.23	1.17
2021-2022	85.19	79.83	1.06
2022-2023	101.00	93.9	1.07
2023-2024	135.5	98.68	1.37

**INTERPRETATION:**

The current ratio analysis shows a fluctuating trend, decreasing from 1.20 (2019-2020) to 1.06 (2021-2022), then improving to 1.37 (2023-2024), indicating enhanced liquidity and ability to meet short-term obligations, with a relatively healthy liquidity position.

## 2. LIQUIDITY RATIO

### LIQUIDITY RATIO=SALES/TOTAL ASSETS

(In Crores)

YEAR	SALES	TOTAL ASSETS	RATIO
2019-2020	69.3	4.93	14.05
2020-2021	139.6	5.12	27.26
2021-2022	178.5	5.83	30.61
2022-2023	213	5.36	39.73
2023-2024	243	5.97	40.70

#### INTERPRETATION:

The Sales to Total Assets Ratio shows an increasing trend, from 14.05 in 2019-2020 to 40.70 in 2023-2024, indicating efficient utilization of assets to generate sales. This suggests the company is generating more sales from its assets over time, likely due to operational efficiencies or strategic decisions.

#### CONCLUSION:

In conclusion, the company's financial performance has shown a mixed trend over the years. While sales have grown consistently, profitability has fluctuated. The company's liquidity position has improved, and asset utilization has become more efficient. However, the company needs to focus on maintaining profitability and optimizing its financing strategy. With a relatively healthy liquidity position and potential for future growth, the company is well-positioned to navigate challenges and capitalize on opportunities. To achieve long-term sustainability, the company should prioritize operational efficiencies, cost management, and innovation. By systematically reviewing and adjusting its business strategies, the company can ensure continued growth and success. Overall, the company's financial performance indicates a stable foundation, and with careful planning and execution, it can achieve its goals and drive future growth.

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