

A STUDY ON FINANCIAL STATEMENT ANALYSIS IN GODWIN TELE PRODUCTION COMPANY

Submitted in partial fulfilment of the requirements for the award of degree in

MASTER OF BUSINESS ADMINISTRATION

By

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SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

**Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by AICTE
JEPPIAAR NAGAR, RAJIV GANDHI SALAI, CHENNAI - 600 119**

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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **SAHAYA PANI AJISH.V 41410262** who carried out the project entitled "**A STUDY ON FINANCIAL STATEMENT ANALYSIS IN GODWIN TELE PRODUCTION COMPANY**" under my supervision from January 2023 to March 2023.

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DECLARATION

I **SAHAYA PANI AJISH.V (41410262)** hereby declare that the Project Report entitled “**A STUDY ON FINANCIAL STATEMENT ANALYSIS IN GODWIN TELE PRODUCTION COMPANY**” done by me under the guidance of **Dr. SHEEBA T** is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

DATE:06.05.2023

PLACE: CHENNAI



SAHAYA PANI AJISH.V

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ABSTRACT

A tele production company is a company that specializes in producing television programs, films, videos, and other multimedia content. With the rise of streaming services and digital platforms, the demand for high-quality content has never been greater. As such, tele production companies play a crucial role in the entertainment industry.

This abstract will discuss the services offered by a typical tele production company. These services can include pre-production, production, and post-production activities. Preproduction activities may include scriptwriting, storyboarding, casting, location scouting, and budgeting. Production activities involve shooting the content, which can range from small-scale projects to large-scale productions that require multiple crews and equipment. Post-production activities involve editing the footage, adding sound effects and music, color correction, and finalizing the content for distribution.

Tele production companies may specialize in certain genres or formats, such as documentaries, reality shows, commercials, or feature films. Some companies also offer distribution and marketing services to help their clients promote their content and reach a wider audience.

In summary, a tele production company is a valuable partner for individuals and organizations looking to create high-quality content for television, film, or digital platforms. With their expertise and experience, these companies can help turn creative ideas into reality, from initial concept to final product.

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CHAPTER 1 – INTRODUCTION

1.1. INTRODUCTION:

Media House specializing in audio- visual products, audio production, digital visual effects, virtual reconstructions. It is the place where creative inspiration meets technological innovation, thanks to the talent of a number of professionals who create new solutions aimed at informing, entertaining and thrilling the audience.

Modern structure composed of its own sound stages, equipped with the most modern technologies available in the market and of spaces and laboratories for activities such as video editing, colour correction, recording, sound editing, mixing and mastering, computer development of multimedia products. digital artists, programmers, engineers, experts in cultural heritage, technicians and operators, working inside the several departments, develop products and solutions at high creative contents, using cutting-edge tools and innovative working methods.

Cinema production companies have a team of professionals, including producers, directors, writers, actors, and crew members who work together to create a successful film. They handle everything from budgeting and scheduling to casting and location scouting. They also oversee the post- production prices, including editing, and sound design.

In summary, cinema production companies are responsible for bringing a film to life and making it available to audiences worldwide. They are an essential part of the entertainment industry and play a significant role in shaping our culture and society through the art of filmmaking.

1.2. INDUSTRY PROFILE:

The cinema production industry is a highly competitive and constantly evolving industry, with production companies facing many challenges in the process of making films. Here is a brief industrial profile of cinema production companies:

- **Market size and growth:** The global cinema production industry is estimated to be worth over \$50 billion and is projected to continue growing at a steady rate in the coming years. The industry is driven by increasing demand for entertainment content from consumers worldwide.
- **Market segmentation:** The cinema production industry is segmented into major studios and independent production companies. Major studios have the advantage of having large budgets and established distribution networks, while independent production companies have more creative freedom and flexibility.
- **Industry trends:** The cinema production industry is constantly evolving, with new technologies and trends emerging all the time. For example, the rise of streaming platforms like Netflix and Amazon has disrupted traditional distribution channels and created new opportunities for production companies.
- **Competitive landscape:** The cinema production industry is highly competitive, with major studios competing for box office success and independent production companies vying for critical acclaim and festival recognition. The industry is also highly consolidated, with a few major players dominating the market.
- **Challenges:** Cinema production companies face numerous challenges in the process of making films, including rising production costs, changing consumer preferences, and piracy.

In summary, the cinema production industry is a highly competitive and dynamic industry that requires production companies to adapt to changing trends and technologies in order to succeed. While the industry faces many challenges, it also presents many opportunities for growth and innovation.

STATE SCENARIO

As of my knowledge cut-off in 2021, Tamil Nadu is one of the prominent states in India with a thriving media and entertainment industry. Several tele production companies are based in Tamil Nadu, offering a range of services such as content production, postproduction, distribution, and broadcasting. Here are some of the major tele production companies:

1. Zee Tamil: Zee Tamil is a popular TV channel that broadcast a range of programs, including serials, reality shows, and movies. The channel is owned by Zee Entertainment Enterprises, a global media company with a strong presence in India.
2. Vijay TV: Vijay TV is a Tamil-language general entertainment channel that offers a variety of programs, including dramas, reality shows, and game shows. The channel is owned by Star India, a subsidiary of the Walt Disney Company.

1.3. COMPANY PROFILE



FOUNDER: MR. GEORGE RAKESH

ESTABLISHED: 2017

EMPLOYEES APPROX: 150

PER EPISODE EXPENSES APPROX: 6-10

Name: GODWIN TELE PRODUCTION COMPANY Pvt Ltd.

Location: Chennai, Tamil Nadu, India

Year of establishment: 2017

Overview: GODWIN TELE PRODUCTION COMPANY Pvt Ltd is a tele production company that provides end-to-end digital cinema solutions. The company offers services such as digital cinema mastering, content distribution, and cinema exhibition technologies. GODWIN TELE PRODUCTION COMPANY PVT Ltd has a strong presence in India and is also expanding globally.

8 Achievements: GODWIN TELE PRODUCTION COMPANY Pvt Lvt has been recognized for its contributors to the Indian film industry. The company has received several awards, including the National Film Award for Best Film on other social issues for the Tamil film 'Kuttram Kadithal' in 2017.

In conclusion, GODWIN TELE PRODUCTION COMPANY Pvt Ltd is a leading tele production company in Tamil Nadu that provides digital cinema solutions. The company's focus on quality and innovation has helped it establish a strong presence in India and expand globally.

1.4. PRODUCT PROFILE / SERVICE PROFILE

However, here are some common products that may be used by television Production Company.

CAMERA:



Cameras are essential tool for capturing video footage for television production. Production companies may use high-end cameras such as Arri, RED or Sony, along with a range of camera accessories, such as lenses, tripods, and stabilizers.

LIGHTING EQUIPMENT:



Lighting is critical in television production, and companies may use a variety of lighting equipment to achieve the desired look and feel for their productions. Some common lighting equipment includes tungsten lights, LED lights, and soft boxes.

AUDIO EQUIPMENT:



High-quality audio is essential for television productions, and production companies may use a range of audio equipment, including microphones, sound mixers, and audio recorders.

SERVICES:

DIGITAL CINEMA MASTERING: GODWIN TELE PRODUCTION

COMPANY Pvt Ltd offers digital cinema mastering services for movies, trailers, and advertisements. The company's digital cinema mastering solutions are designed to meet the highest quality standards and are delivered in various formats such as DCP, IMF, and PRORES.

CONTENT DISTRIBUTION: The company provides content distribution services to cinema exhibitors, enabling them to receive digital cinema content from content owners and distributors. GODWIN TELE PRODUCTION COMPANY Pvt Ltd's content distribution solutions are reliable and efficient, ensuring timely delivery of content.

CINEMA EXHIBITION TECHNOLOGIES: GODWIN TELE PRODUCTION COMPANY Pvt Ltd provides cinema exhibition technologies such as cinema servers, projectors, and audio systems. The company's products are designed to provide the highest quality cinematic experience to the audience.

1.5. OBJECTIVES OF THE STUDY

PRIMARY DATA:

- Evaluating financial performance: One of the primary objectives of a financial statement analysis is to evaluate the financial performance of the television production company. This involves examining the company's financial statements to assess its profitability, liquidity, solvency, and efficiency.
- Identifying areas of improvement: A financial statement analysis can help identify areas where the television production company can improve its financial performance. This includes identifying areas where the company is spending too much money or not generating enough revenue, and making recommendations to address these issues.

SECONDARY DATA:

- Assessing financial risks: Financial statement analysis can help identify potential financial risks for the television production company, such as high levels of debt, declining revenue, or inefficient use of resources. This allows management to take proactive steps to mitigate these risks.
- Comparing performance to industry benchmarks: A financial statement analysis can help compare the performance of the television production company to industry

benchmarks. This provides insights into how the company is performing compared to its competitors and can help identify areas where the company can improve.

- Supporting decision-making: Financial statement analysis provides important information for decision-making. By analyzing the company's financial performance, decision-makers can make informed choices about investments, budgeting, pricing, and resource allocation.

1.6. NEED FOR STUDY

- Performance evaluation: Financial statement analysis helps to evaluate the performance of the company over time. This allows the management to identify trends, strengths, and weaknesses and make informed decisions to improve the company's financial health and performance.
- Decision-making: Financial statement analysis provides important information for decision-making. By analyzing the company's financial performance, decision-makers can make informed choices about investments, budgeting, pricing, and resource allocation.
- Benchmarking: Financial statement analysis can help a television production company benchmark its performance against industry competitors. This can help the company identify areas where it is performing well and areas where it needs to improve.
- Investment analysis: Investors and creditors often use financial statement analysis to evaluate the company's financial position and performance before making investment decisions. A comprehensive financial analysis can help to attract investors and secure funding for the company.
- Compliance: Compliance with financial reporting regulations is a key reason for financial statement analysis. By analyzing the company's financial statements, management can ensure that it is in compliance with applicable accounting standards and regulations.

1.7. SCOPE & SIGNIFICANCE OF THE STUDY

- Some of the key financial metrics that would be analyzed include revenue, expenses, net income, gross margin, operating margin, and cash flow. The analysis would involve comparing these metrics to historical trends and industry benchmarks to identify areas of strength and weakness.
- Financial ratios would also be a critical component of the analysis, providing a more detailed view of the company's financial position and performance. These ratios might include liquidity ratios, such as the current ratio and quick ratio, which would indicate the company's ability to meet short-term obligations. Other ratios, such as debt-to-equity and debt-to-assets, would provide insights into the company's leverage and solvency.
- Profitability ratios, such as return on assets and return on equity, would also be examined to assess the company's overall profitability and efficiency. Activity ratios, such as inventory turnover and accounts receivable turnover, would provide insights into the company's efficiency in managing its assets.

CHAPTER 2 REVIEW OF LITERATURE

- Shinde Govind P. & Dubey Manisha (2011) the study has been conducted considering the segments such as passenger vehicle, commercial vehicle, utility vehicle, two and three wheeler vehicle of key players performance and also analyze SWOT analysis and key factors influencing growth of automobile industry.
- Sharma Nishi (2011) studied the financial performance of passenger and commercial vehicle segment of the automobile industry in the terms of four financial parameters namely liquidity, profitability, leverage and managerial efficiency analysis for the period of decade from 2001-02 to 2010-11. The study concludes that profitability and managerial efficiency of Tata motors as well as Mahindra & Mahindra Ltd are satisfactory but their liquidity position is not satisfactory. The liquidity position of commercial vehicle is much better than passenger vehicle segment.
- Singh Amarjit & Gupta Vinod (2012) explored an overview of automobile industry. Indian automobile industry itself as a manufacturing hub and many joint ventures have been setup in India with foreign collaboration. SWOT analysis done there are some challenges by the virtue of which automobile industry faces lot of problems and some innovative key features are keyless entry, electrically controlled mechanisms enhanced driving control, soft feel interiors and also need to focus in future on like fuel efficiency, emission reduction safety and durability.
- Zafar S.M.Tariq & Khalid S.M (2012) 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 performance of firm by promoters.
- Ray Sabapriya (2012) studied the sample of automobile companies to evaluate the performance of industry through indicators namely sales, production and export trend etc

for period of 2003-04 to 2009-10. The study finds that automobile industry has been passing through disruptive phases by over debt burden, under utilization of assets and liquidity instability. The researcher suggested to improving the labour productivity, labour flexibility and capital efficiency for success of industry in future.

- Dawar Varun (2012) Study to analyze the effect of various fundamental corporate policy variables like dividend, debt, capital expenditure on stock prices of automobile companies of India. The study tends that dividend & investment policy are relevant and capital structure irrelevant to stock prices.
- Mistry Dharmendra S. (2012) understood a study to analyze the effect of various determinants on the profitability of the selected companies. It concluded that debt equity ratio, inventory ratio, total assets were important determinants which effect positive or negative effect on the profitability. It suggested to improve solvency as to reduce fixed financial burden on the company profit & give the benefit of trading on equity to the shareholders.
- Murlidhar, A. Lok Hande & Rana Vishal S. (2013) the author tries to evaluate the performance of Hyundai Motors Company with respect to export, Domestic Sales, productions and profit after tax. For this purpose, the pie chart and bar graph are used to show the performance of company various years.
- Dharmaraj, A. and Kathirvel N. (2013) explored an overview of new industrial policy act 1991, which allow 100 percent foreign direct investment. An attempt is made to find out the effect of FDI on financial performance of automobile industry. It is concluded that the liquidity ratios shows minor changes and profitability shows an increasing trend during post FDI when compared to pre FDI. Post FDI efficiency ratio shows that companies are efficiently utilizing the available resources.
- Rapheal Nisha (2013) the author tries to evaluate the financial performance of Indian tyre industry. The study was conducted for period 2003-04 to 2011-12 to analyze

the performance with financial indicators, sales trend, export trend, production trend etc. The result suggests the key to success in industry is to improve labour productivity and flexibility and capital efficiency.

- Hotwani Rakhi (2013) the author examines the profitability position and growth of company in light of sales and profitability of Tata Motors for past ten years. Data is analyzed through ratios, standard deviations and coefficient of variance. The study reveals that there not exists a strong relationship between sales & profitability of company.
- Sharma Rashmi, Pande Neeraj & Singh Avinash (2013) for understanding how social media monitoring can help diving the consumer decision & also study. The functions of social media i.e. monitor, responses amplify and lead at maruti Suzuki India ltd. The researcher had discussion with social media team median managers for collecting data & also visited the official social media sites of MSIL.
- Daniel A. Moses Joshunar (2013) the study has been conducted to identify the financial strength and weakness of the Tata motors Ltd. using past 5 year financial statements. Trend analysis & ratio analysis used to comment of financial status of company. Financial performance of company is satisfactory and also suggested to increase the loan levels of company for the better performance.
- Dhole Madhavi (2013) Investing the impact of price movement of share on selected company performance. It advise due investors consider various factors before choosing the better portfolio. Sentimental factors do play a role in price movement only in short term but in long run annual performance is sole factor responsible for price movement.
- Shende Vikram (2014) this research will be helpful for the new entrants and existing car manufacturing companies in India to find out the customer expectations and their market offerings. The objective of study is the identification of factors influencing customers performance for particular segment of cars.

- Azhagaiah R. & Gounasegaran (2014) recognized India's per capita real GDP growth as one of key drivers of growth for country's automobile industry. The central government would be set up various task forces on issue related to taxation, land acquisitions, labour reform and skill development for auto industry.
- Buvaneswari .R & Kanimozhip (2014) to study the credit worthiness of selected firms in Indian car industry, tiruchy. Professor Edward Altman of New York University developed method Z score analysis to predict the company failure or bankruptcy. To measure the fiscal fitness of a company combined a set of five financial ratios.
- Idhayajothi, R et al (2014) the main idea behind this study is to analyze the financial performance of Ashoka Leyland Ltd. at Chennai. The result shows that financial performance is sound and also suggested to improve financial performance by reducing the various expenses.
- Huda Salhe Meften & Manish Roy Tirkey (2014) have studied the financial analysis of Hindustan petroleum corporation Ltd. The study is based on secondary data. The company has got excellent gross profit ratio and trend is rising in with is appreciable indicating efficiency in production cost. The net profit for the year 2010-11 is excellent & it is 8 times past year indicating reduction in operating reduction in operating expenses and large proportion of net sales available to the shareholders of company.
- Sarwade Walmik Kachru (2015) analyzed the effects of liberalization, government delicensing and liberal trade policies on the growth of Indian auto mobile industry .The study recommends that investing four- wheeler is going to be smart potion not only in India but all around the world.
- Srivastava Anubha (2014) Data analysis has been done using the top down approach, i.e. Economic analysis, industry analysis, company and technical analysis to find relationship between automobile sector index with market index. Mahindra and Mahindra have a great position on the stock market and will attract investor and this could

lead to expansion and growth. Thus Tata motors and Maruti Suzuki need to take care of their stock and expansion.

- Sarangi Pradeepta K et al (2014) undertook a study to forecast the future trend of automobile industry. The study highlighted the six different experiments have been carried out for period of 12 years data to estimate values for next 3 years. In each experiment graph has been plotted using spreadsheet and then linear trend has been drawn and expanded to calculate future values.
- Kumar Sumesh & Kaur Gurbachan (2014) Automobile sector is the dominant player in economy of world. After liberalization Indian automobile industry has emerged as a major contributor to India's GDP. The study identified that there is no significant in the means score of various financial ratios of Maruti Suzuki and Tata motors but in meeting their long term obligations and efficacy of utilizing the assets show the significant difference in the efficiency of both the firms.
- Krishnaveni, M. & Vidya, R. (2015) find that Indian automobile industry is a high flying sector these days and emerging as an export hub in wake of liberalisation and globalization. This paper revises the category wise production, sales and exports of automobile industry in India. Industry growth can be viewed in term of pre and post liberalization. As the government allows 100 percent FDI, increase 15% in customs duty on cars and MUVs to encourage local manufacturer and concessional import duty on specified parts of hybrid vehicles.
- Becker Dieter (2015) the report shows about the current state and future prospects of the worldwide automobile industry. This survey report the manufacturer, executive and consumer views about four aspects, mobility culture, technological fit, business model readiness and market share.

- Surekha B. & Krishnalah K.Rama (2015) this study reveals the prosperity of Tata motors company. It can be concluded that inner strength of company is remarkable. Company can further improve its profitability by optimum capital gearing, reduction in administration and financial expenses for the growth of company.
- Anu B. (2015) made an attempt to examine the relationship between capital structure indicators, market price per shares and also to test relationship between debt-equity and market price per share of selected companies in industry. The study concludes that all three companies support the hypothesis that there is relation between debt-equity and MPS.
- Maheswari, V. (2015) made an attempt to analyze the financial soundness of the Hero Honda motors limited have identified three factors, namely liquidity position, solvency position and profitability position based on the study of period 2002 to 2010 using ratio analysis.
- Agarwal, Nidhi (2015) the study focus on the comparative financial performance of Maruti Suzuki and Tata motors ltd. The financial data and information required for the study are drawn from the various annual reports of companies. The liquidity and leverage analysis of both the firms are done. To analyze the leverage position four ratios are considered namely, capital gearing, debt-equity, total debt and proprietary ratio. The result shows that Tata motors ltd has to increase the portion of proprietor's fund in business to improve long term solvency position.
- Nandhini, M. & Sivasalthi, V.(2015) have studied the impact of both financial leverage as well as operating language on the profitability of TVS motor company. The result shows that company suffers from certain weakness & suggested to control fixed cost as well as variable cost to gain adequate profits.

- Jothi, K. & Kalaivani, P. (2015) studied the comparative performance of Honda Motors and Toyota Motor that both companies have satisfactory short term liquidity position. As for as cash ratio concerned Honda company has upper hand upper hand in sound cash management practice during the study period. In case of profitability it is rising from the both of companies but remained much higher earning potential in Honda motor ltd.
- Krishnaveni , M. & Vidya, R (2015) author has selected 87 companies out of 242 companies in capital line database to discuss the standard current ratio of automobile industry is matched with tractor and four sectors like engine parts, lamps, gears and ancillaries with standard norms. The study concludes that current and liquidity ratio of automobile industry is matched with tractor and the four sectors but other sectors have to improve the repaying capacity to strengthen the financial aspects.
- Takeh Ata & Navaprabha Jubiliy (2015) Author has made conceptual model to outline the impact of capital structure on the financial performance i.e. capital structure is independent variable that value is measured by using four ratios namely, financial debt, total debt equity, total asset debt and interest coverage ratio where as financial performance is dependent variable that value is measured by using four ratios as return on assets, return on equity , operating profit margin and return on capital employed. Researcher has selected 13 major steel industries and applied various statistical tools like standard deviation, correlation matrix, anova etc are employed for testing hypothesis with help of SPSS22.
- Kumar Rakesh Rasiklalajani & Bhatt Satyaki J. (2015) the proposed research is intended to examine the trend and pattern of financing the capital structure of Indian companies. The study is to analyze the determinants of total debt ratios as well as determinants of short term and long term ratios.

- Kumar Neeraj & Kaur Kuldip (2016) made an attempt to test the size and profitability relationship in the Indian automobile industry. To analyze the relationship linear regression model as well as cross-sectional has been employed for the year 1998 to 2014. For profitability analysis two different measures have been used (i) ratio of net profit to total sales turnover (ii) ratio of net income to net assets plus working capital and for firm size two indicators used namely, total sales turn over and net assets. The time series analysis showed the positive relationship between firm size and profitability but cross-sectional show no relationship between firm size and profitability.
- Ravichandran, M. & Subramaniam M Venkata (2016) the main idea behind this study is to assessment of viability, stability and profitability of Force motors limited. Operating position of the company can be measured by using various financial tools such as profitability ratio, solvency ratio, comparative statement & graphs etc. This study finds that company has got enough funds to meet its debts & liabilities. Company can further improve financial performance by reducing the administrative, selling & operating expenses.
- Mathur Shivam & Agarwal Krati (2016) Ratio's are an excellent and scientific way to analyze the financial performance of any firm. The company has received many awards and achievements due to its new innovations and technological advancement. These indicators help the investors to invest the right company for expected profits. The study shows that Maruti Suzuki limited is better than Tata motors limited.
- Jothi, K. & Geethalakshmi, A. (2016) this study tries to evaluate the profitability & financial position of selected companies of Indian automobile industry using statistical tools like, ratio analysis, mean, standard deviation, correlation. The study reveals the positive relationship between profitability, short term and long term capital.

- Kumar Mohan M.S, Vasu. V. and Narayana T. (2016) the study has been made through using different ratios , mean, standard deviation and Altman's Z score approach to study the financial health of the company. The study reveals there is a positive correlation between liquidity and profitability ratios except return on total assets as well as Z score value indicate good health of the company.
- Kaur Harpreet (2016) the author tries to examine the qualities & quantities performer of maruti Suzuki co. & how had both impact on its market share in India, For this study secondary data has been collected from annual reports, journals, report automobile sites. Result shows that MSL has been successfully leading automobile sector in India for last few years.

CHAPTER 3 – RESEARCH METHODOLOGY

3.1. METHODOLOGY:

Research methodology is the specific procedures or techniques used to identify, select, process, and analyse information about a topic. In a research paper, the methodology section allows the reader to critically evaluate a study's overall validity and reliability.

The process used to collect information and data for the purpose of making business decisions. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information.

3.2. RESEARCH DESIGN:

Research methodology is the specific procedures or techniques used to identify, select, process, and analyse information about a topic. In a research paper, the methodology section allows the reader to critically evaluate a study's overall validity and reliability.

The process used to collect information and data for the purpose of making business decisions. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information.

3.3. SOURCES OF DATA:

The data is collected from the following sources:

- Three years annual report of GODWIN COMPANY from 2020 – 2023
- As the nature of the study relates to know finance performance the main part used was secondary data. It includes profit and loss account, balance sheet etc. Thus the study is based on the published accounts and annual reports of natures GODWIN COMPANY.

3.4. TOOLS FOR ANALYSIS:

Ratio analysis is a quantitative method of gaining insight into a company's liquidity, operational efficiency, and profitability by studying its financial statements such as the balance sheet and income statement. Ratio analysis is a cornerstone of fundamental equity analysis.

KEY TAKEAWAYS

1. Ratio analysis compares line-item data from a company's financial statements to reveal insights regarding profitability, liquidity, operational efficiency, and solvency.
2. Ratio analysis can mark how a company is performing over time, while comparing a company to another within the same industry or sector.
3. Ratio analysis may also be required by external parties that set benchmarks often tied to risk.
4. While ratios offer useful insight into a company, they should be paired with other metrics, to obtain a broader picture of a company's financial health.
5. Examples of ratio analysis include current ratio, gross profit margin ratio, inventory turnover ratio.

• Current ratio

1. The current ratio compares all of a company's current assets to its current liabilities.
2. These are usually defined as assets that are cash or will be turned into cash in a year or less and liabilities that will be paid in a year or less.
3. The current ratio helps investors understand more about a company's ability to cover its short-term debt with its current assets and make apples-to-apples comparisons with its competitors and peers.
4. One weakness of the current ratio is its difficulty of comparing the measure across industry groups.
5. Others include the overgeneralization of the specific asset and liability balances, and the lack of trending information.

Cash ratio

1. The cash ratio is a liquidity measure that shows a company's ability to cover its short term obligations using only cash and cash equivalents.
2. The cash ratio is derived by adding a company's total reserves of cash and near-cash securities and dividing that sum by its total current liabilities.
3. The cash ratio is more conservative than other liquidity ratios because it only considers a company's most liquid resources.
4. A calculation greater than 1 means a company has more cash on hand than current debts, while a calculation less than 1 means a company has more short-term debt than cash.

Lenders, creditors, and investors use the cash ratio to evaluate the short-term risk of a company.

• Fixed asset ratio

1. The fixed asset turnover ratio reveals how efficient a company is at generating sales from its existing fixed assets.
2. The fixed asset turnover ratio is calculated by dividing net sales by the average balance in fixed assets.
3. A higher ratio implies that management is using its fixed assets more effectively.
4. A high FAT ratio does not tell anything about a company's ability to generate solid profits or cash flows.
5. The fixed asset turnover is similar to other turnover ratios such as the assets turnover ratio, though the fixed asset turnover ratio uses a subset of assets to compare a company's activity against.

Cash to return asset ratio.

1. The cash ratio is a liquidity measure that shows a company's ability to cover its short term obligations using only cash and cash equivalents.
2. The cash ratio is derived by adding a company's total reserves of cash and near-cash securities and dividing that sum by its total current liabilities.
3. The cash ratio is more conservative than other liquidity ratios because it only considers a company's most liquid resources.
4. A calculation greater than 1 means a company has more cash on hand than current debts, while a calculation less than 1 means a company has more short-term debt than cash.
5. Lenders, creditors, and investors use the cash ratio to evaluate the short-term risk of a company.

• Inventory turnover ratio

1. inventory includes all goods, raw or finished, that a company has in stock with the intent to sell.
2. Inventory turnover is the rate that inventory stock is sold, or used, and replaced.
3. The inventory turnover ratio is calculated by dividing the cost of goods by average inventory for the same period.
4. A higher ratio tends to point to strong sales and a lower one to weak sales. Conversely, a higher ratio can indicate insufficient inventory on hand, and a lower one can indicate too much inventory in stock.

- **Return on asset.**

1. Return on assets is a metric that indicates a company's profitability in relation to its total assets.
2. ROA can be used by management, analysts, and investors to determine whether a company uses its assets efficiently to generate a profit.
3. You can calculate a company's ROA by dividing its net income by its total assets.
4. It's always best to compare the ROA of companies within the same industry because they'll share the same asset base.

- **Return on equity.**

1. Return on equity (ROE) is the measure of a company's net income divided by its shareholders' equity.
2. ROE is a gauge of a corporation's profitability and how efficiently it generates those profits.
3. The higher the ROE, the better a company is at converting its equity financing into profits.
4. To calculate ROE, divide net income by the value of shareholders' equity.
5. ROEs will vary based on the industry or sector in which the company operates.

- **Debt to asset ratio**

1. The total-debt-to-total-assets ratio shows the degree to which a company has used debt to finance its assets.
2. The calculation considers all of the company's debt, not just loans and bonds payable, and considers all assets, including intangibles.
3. The total-debt-to-total-assets ratio is calculated by dividing a company's total amount of debt by the company's total amount of assets.
4. If a company has a total-debt-to-total-assets ratio of 0.4, 40% of its assets are financed by creditors, and 60% are financed by owners' (shareholders') equity.

Debt to equity

1. Debt-to-equity (D/E) ratio compares a company's total liabilities with its shareholder equity and can be used to assess the extent of its reliance on debt.
2. D/E ratios vary by industry and are best used to compare direct competitors or to measure change in the company's reliance on debt over time.
3. Among similar companies, a higher D/E ratio suggests more risk, while a particularly low one may indicate that a business is not taking advantage of debt financing to expand.
4. Investors will often modify the D/E ratio to consider only long-term debt because it carries more risk than short-term obligations.

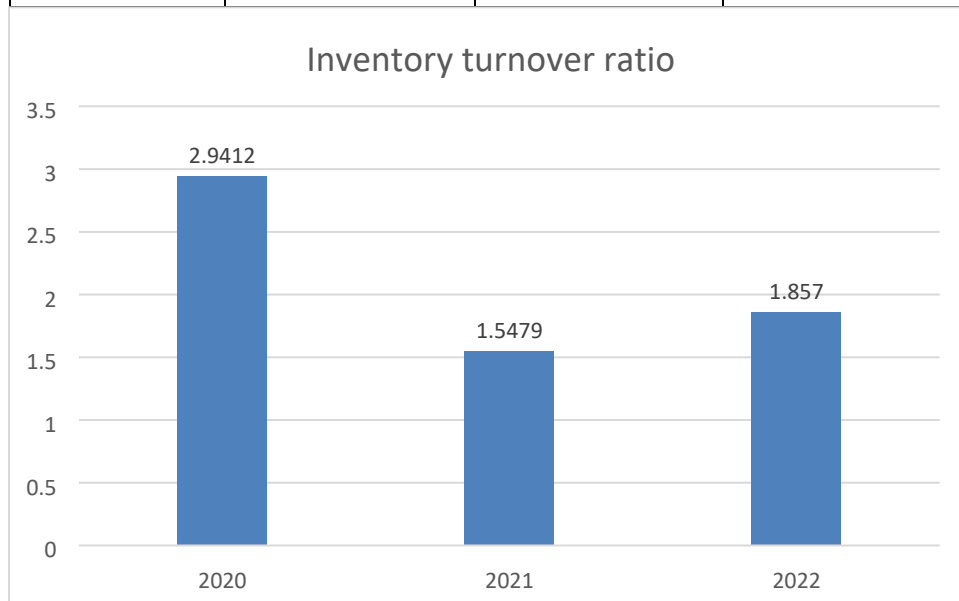
• Inventory holding period

1. Inventory turnover measures how efficiently a company uses its inventory by dividing the cost of goods sold by the average inventory value during the period.
2. Inventory turnover ratios are only useful for comparing similar companies, and are particularly important for retailers.
3. A relatively low inventory turnover ratio may be a sign of weak sales or excess inventory, while a higher ratio signals strong sales but may also indicate inadequate inventory stocking.
4. Accounting policies, rapid changes in costs, and seasonal factors may distort inventory turnover comparisons

CHAPTER 4 - DATA ANALYSIS AND INTERPRETATION

4.1. Inventory turnover ratio

year	2020	2021	2023
Sales	146899.32	164843.43	141628.43
Inventory	49943.88	106492.84	76265.64
Inventory turnover ratio	2.941	1.547	1.857



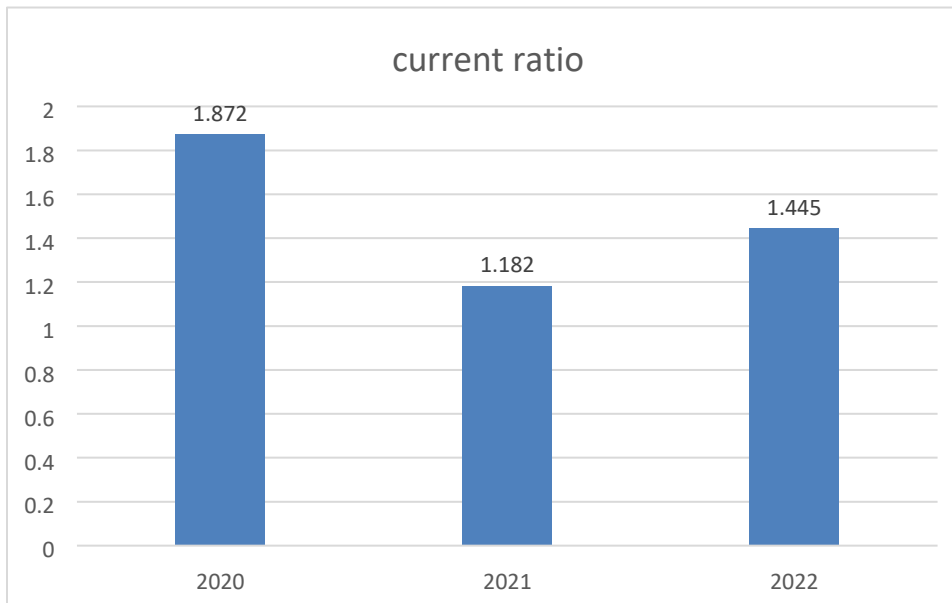
INTERPRETATION

The inventory turnover ratio was high in 2020 comparing than 2021 and 2022 years.

From the balance sheet the past 3 years of the Inventory turnover ratio was 2020- 2.941, 2021- 1.547, 2022- 1.547. The minimum ratio was registered as 1.547929701 in the year 2021 and the maximum ratio was registered as 2.941 in the year 2020.

4.2. CURRENT RATIO:

year	2020	2021	2023
current asset	283904.6	518696.6	453482.6
current liability	151585.44	438511.94	313655.9
current ratio	1.872	1.182	1.445

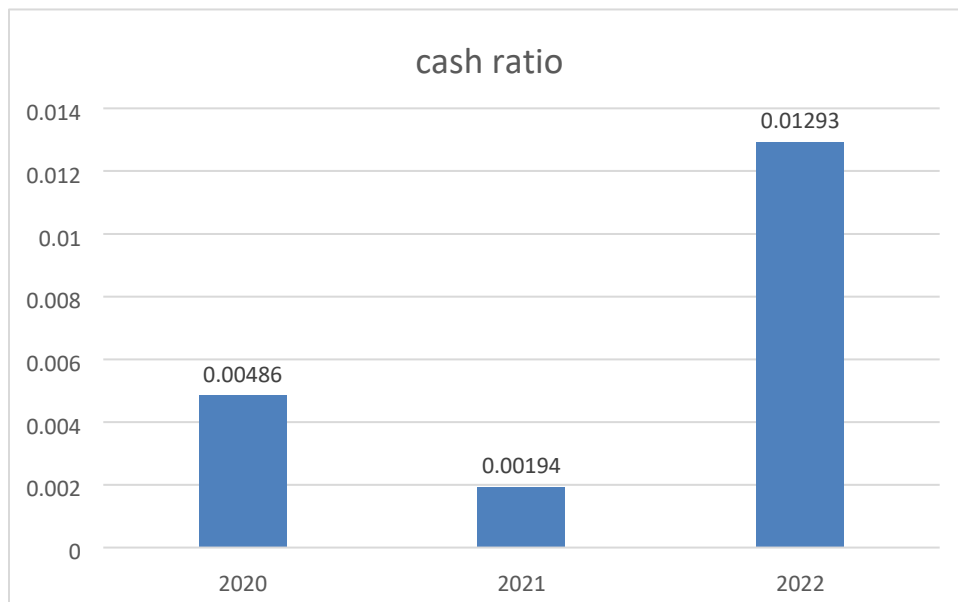


INTERPRETATION

From the balance sheet the past 3 years of the current ratio was 2020-1.872, 2021- 1.182, 2022- 1.445. The minimum ratio was registered as 1.182 in the year 2021 and the maximum ratio was registered as 1.872 in the year 2020.

4.2. CASH RATIO

year	2020	2021	2023
cash	751.45	1037.64	1094.87
current liability	154425.4	532845.34	84657.12
cash ratio	0.004	0.001	0.012

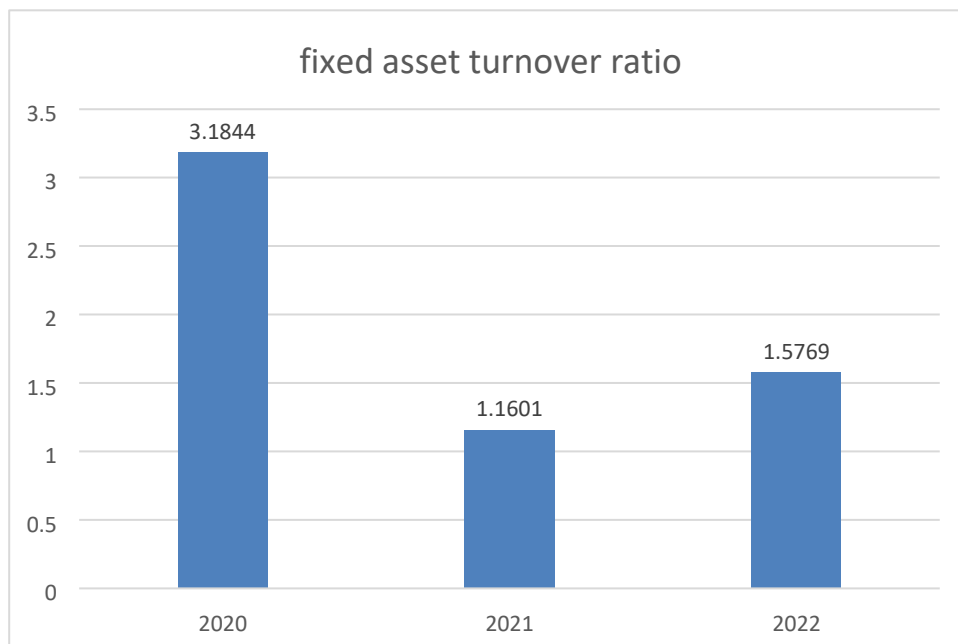


INTERPRETATION

From the balance sheet the past 3 years of the cash ratio was 2020- 0.004, 2021- 0.001, 2022- 0.012. The minimum ratio was registered as 0.004 in the year 2020 and the maximum ratio was registered as 0.012 in the year 2022.

4.4. FIXED ASSET TURN OVER RATIO:

year	2020	2021	2023
sales	145495.72	126994.81	137864.49
fixed asset	45689.82	109461.86	87423.93
fixed asset turnover ratio	3.184	1.160	1.576

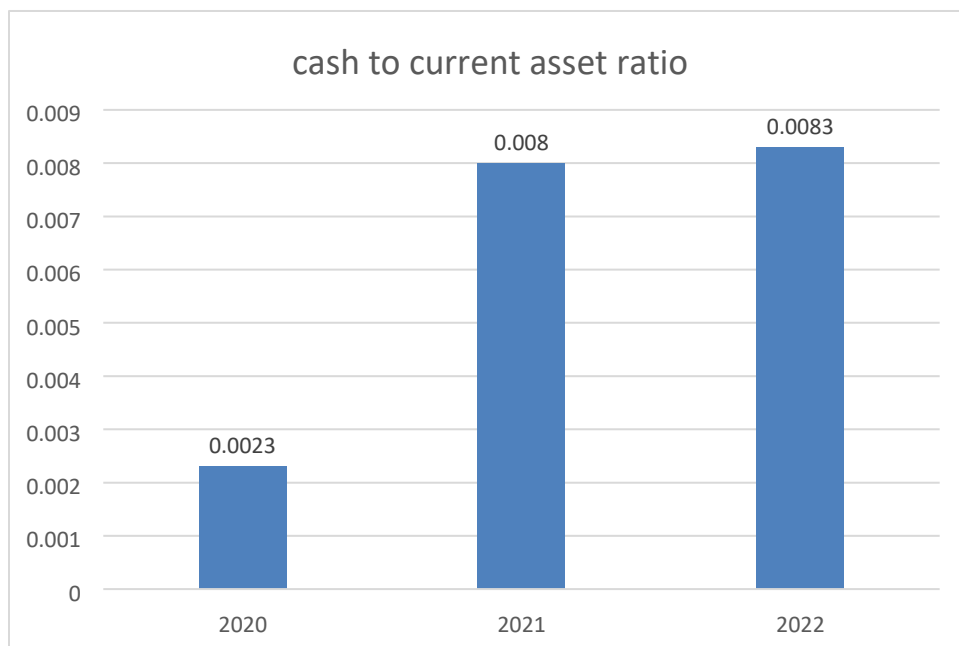


INTERPRETATION

From the balance sheet the past 3 years of the Fixed asset turnover ratio was 2020- 3.184, 2021- 1.160, 2022- 1.576. The minimum ratio was registered as 1.576 in the year 2022 and the maximum ratio was registered as 3.184 in the year 2020.

4.5. CASH TO CURRENT ASSET RATIO:

year	2020	2021	2023
cash	860.53	3637.37	3760.52
current ratio	360378.03	454549.7	450942.81
cash to current asset ratio	0.002	0.008	0.008

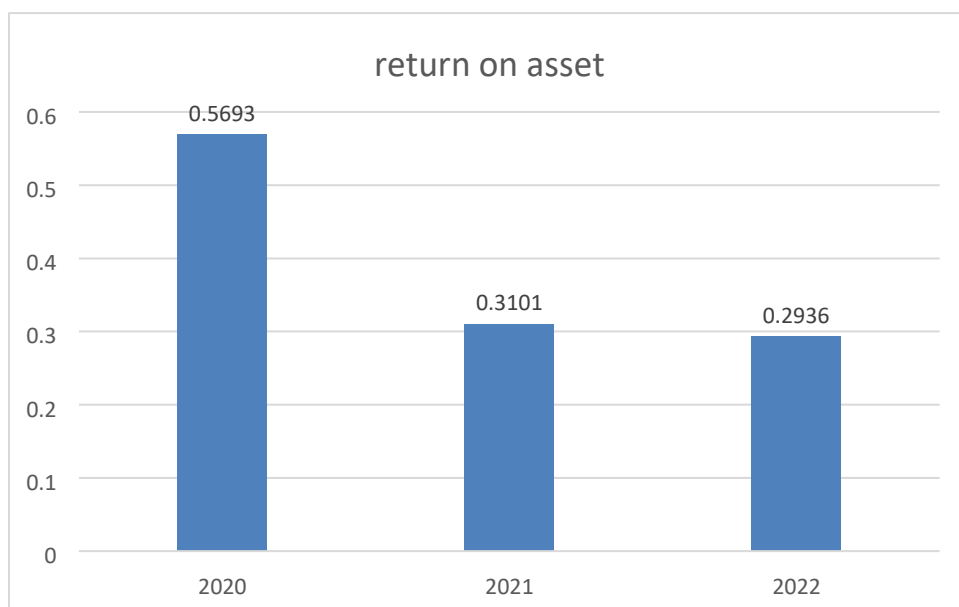


INTERPRETATION

From the balance sheet the past 3 years of the cash to current asset ratio was 2020- 0.002, 2021-0.008, 2022- 0.008. The minimum ratio was registered as 0.002 in the year 2020 and the maximum ratio was registered as 0.008 in the year 2022.

4.6. RETURN ON ASSET RATIO:

year	2020	2021	2023
net income	264916.65	153985.69	136846.3
total asset	465326.3	496537.68	465943.6
return on asset	0.569	0.310	0.293

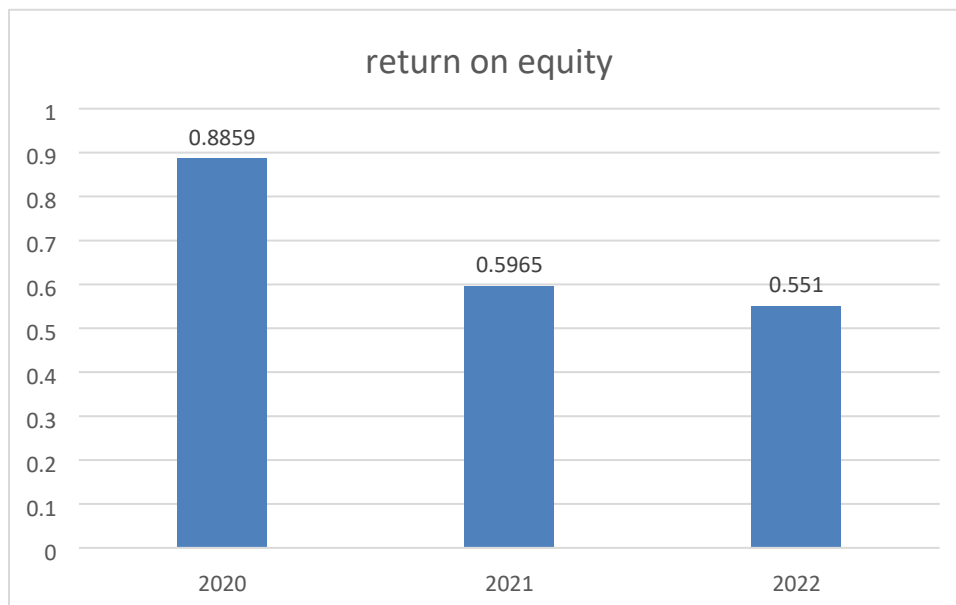


INTERPRETATION

From the balance sheet the past 3 years of the Return on asset was 2020- 0.569, 2021- 0.310, 2022- 0.293. The minimum ratio was registered as 0.293 in the year 2022 and the maximum ratio was registered as 0.569 in the year 2020.

4.7. RETURN ON EQUITY:

year	2020	2021	2023
net income	216549.64	168672.89	135964.6
total equity	244439.48	282761.25	246546.97
return on equity	0.885	0.596	0.551

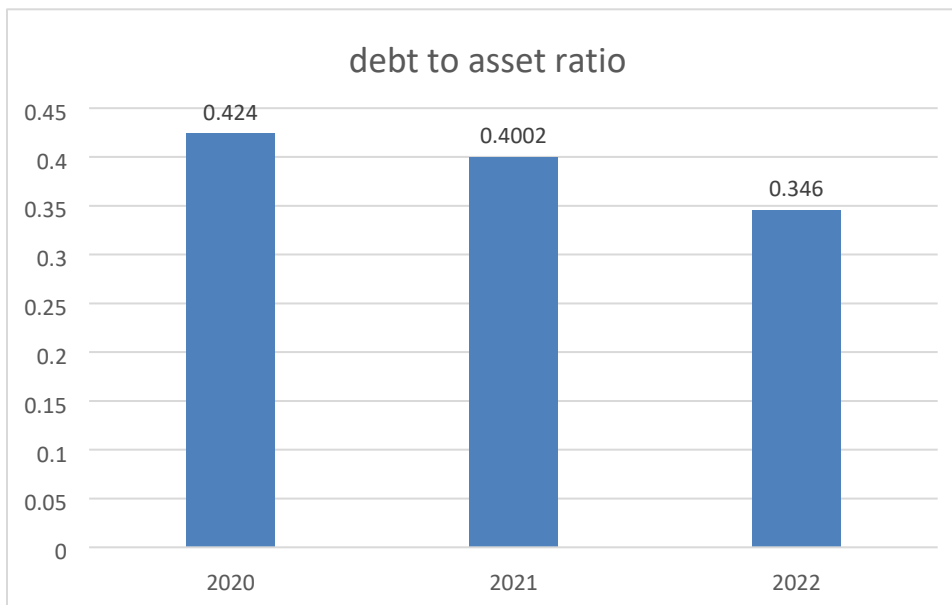


INTERPRETATION

From the balance sheet the past 3 years of the Return on equity was 2020- 0.885, 2021- 0.596, 2023- 0.551. The minimum ratio was registered as 0.293 in the year 2022 and the maximum ratio was registered as 0.569 in the year 2020.

4.8. DEBT TO ASSET RATIO:

Year	2020	2021	2023
total liability	196452.45	186426.59	156483.86
total asset	463285.5	465795.85	452159.8
debt to asset ratio	0.424	0.400	0.346

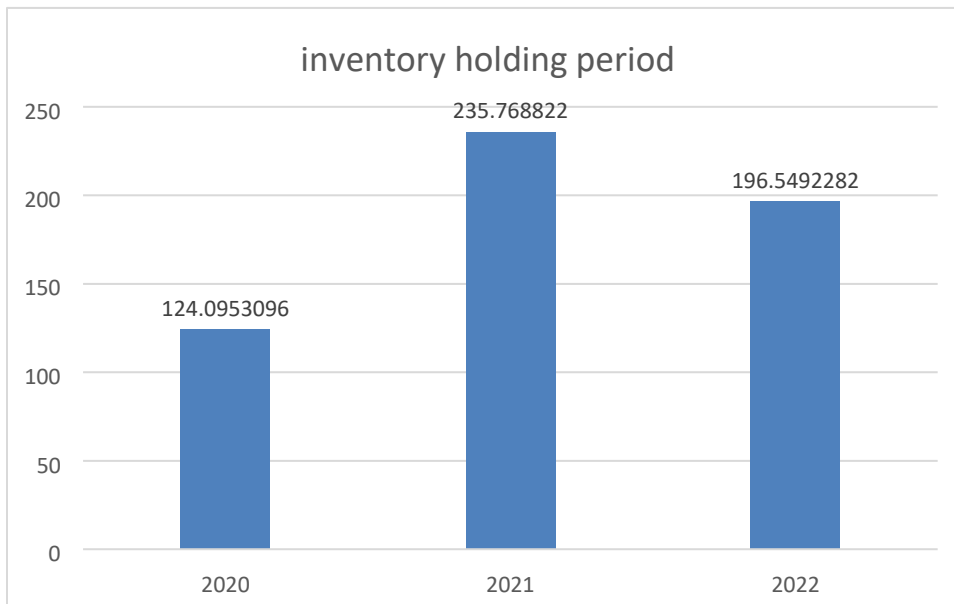


INTERPRETATION

From the balance sheet the past 3 years of the Debt to asset ratio was 2020- 0.424, 2021- 0.400, 2022- 0.346. The minimum ratio was registered as 0.346 in the year 2022 and the maximum ratio was registered as 0.424 in the year 2020.

4.9. INVENTORY HOLDING PERIOD:

year	2020	2021	2023
days in a year	365	365	365
inventory turnover ratio	2.941287701	1.547929701	1.857041126
inventory holding period	124.095	235.798	196.549



INTERPRETATION

From the balance sheet the past 3 years of the Inventory holding period was 2020- 124.095, 2021- 235.798, 2022- 196.549. The minimum ratio was registered as 124.0953069 in the year 2002 and the maximum ratio was registered as 235.798 in the year 2021.

CHAPTER 5 – FINDINGS, SUGGESTIONS AND CONCLUSION

5.1. FINDINGS

- The research work provides the key findings according to the data analysis.
- The company has made its current ratio good in the year 2020 with 1.872 which indicates the rate at which the company restock items.
- By comparing all the 4 years 2018 has the low liquidity position to meet its short term obligations with its most liquid assets.
- The maximum interest expenses ratio was 0.0146003 in the year 2021 and the minimum interest expenses ratio was registered as 0.00517 in the year 2018 during the study period.
- The inventory turnover ratio good in the year 2020 with 2.9412 which indicates that the rate at which the company restock items is well balanced.
- Fixed Asset turnover ratio good in the year 2020 with 0.00486 which indicates that the rate at which the company restock items is well balanced with their sales.
- Return on Asset good in the year 2020 with 0.5693 which indicates that the rate at which the company restock items is well balanced with their sales, comparing with the previous years.
- Return on equity good in the year 2020 with 0.8859 which indicates that the rate at which the company restock items is well balanced with their sales, comparing with the previous years which is below the ideal ratio.
- Debt to asset ratio good in the year 2020 with 0.424 which indicates that the rate at which the company restock items is well balanced.
- Debt to equity ratio good in the year 2020 with 0.799 which indicates that the rate at which the company restock items is well balanced with their sales.
- By comparing all the four years, 2020 has the lowest inventory holding period, which indicates the demand has increased for company's products.
- By comparing all the 4 years, there has been an increase in cash to current asset ratio, which indicates a positive sign showing the company's most liquid assets represent a larger portion of its total current assets.

5.2 SUGGESTIONS & RECOMMENDATIONS

- Start by researching the GODWIN financial statements, annual reports, and other relevant financial data. This will give an understanding of the GODWIN financial position, profitability, liquidity, and other key financial metrics.
- Examine the GODWIN revenue streams and sources of income. This will give an understanding of the GODWIN business model and the factors driving its profitability.
- Compare the GODWIN financial performance over time and identify any trends or patterns that may be impacting its performance.
- Consider any external factors that may be impacting the GODWIN financial performance, such as changes in economic conditions, government policies, or regulatory requirements.
- Finally, draw conclusions and make recommendations based on your analysis of GODWIN financial performance. This could include suggestions for areas where GODWIN could improve its performance or strategies for managing risks and enhancing profitability.
- Remember to cite your sources and use a rigorous methodology to ensure that your analysis is objective and accurate.

5.3. LIMITATIONS

Some of the limitations of financial statement analysis for GODWIN include:

- Limited information disclosure: GODWIN may not disclose all the information necessary to perform a thorough financial statement analysis. For example, the company may not provide detailed information on its operations, customer base, or market conditions, which could limit the analysis.
- Accounting policies: GODWIN may use different accounting policies from other companies, which can make it difficult to compare financial performance. For instance, the company may choose to use different depreciation methods or valuation techniques, which can impact the financial statements' numbers.
- Depreciation: GODWIN is a capital-intensive business that relies on heavy machinery and equipment. The company's depreciation policy could significantly impact its financial statements' numbers, which could affect the analysis.
- Macro-economic factors: GODWIN's financial performance could be impacted by macroeconomic factors beyond the company's control. For instance, changes in interest rates, inflation, or exchange rates could affect the company's operations and profitability, which could impact financial statement analysis.
- Limited comparability: Comparing GODWIN's financial performance with that of other companies in the same industry can be challenging. GODWIN is unique in its operations, size, and scope of business, which can make it difficult to find a suitable comparison.
- In summary, while financial statement analysis can provide valuable insights into GODWIN's financial performance, it is essential to recognize its limitations. Investors and analysts should consider these limitations and complement their analysis with other sources of information to get a complete picture of the company's financial health.

4.4. CONCLUSION

Based on the financial performance analysis of Indian Overseas Bank, the following conclusions can be drawn:

This study on financial statement analysis in GODWIN Company has provided valuable insights into the financial health and performance of the company. The study employed ratio analysis, trend analysis, and common size analysis to analyze the financial statements of the company for the last five years. The results of the study suggest that the company's financial performance has improved in recent years, with an increase in revenue, net profit, and return on equity.

However, the study also revealed some areas of concern, such as declining gross profit margins and increasing debt levels. It is recommended that the company take steps to address these issues and improve its financial position further. The study also highlighted the importance of financial statement analysis as a tool for evaluating the financial performance of companies. Overall, this study provides useful information for stakeholders, including investors, creditors, and managers, to make informed decisions regarding the company's financial position and future prospects. It is hoped that the study will inspire further research into financial statement analysis in other companies and industries.

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A STUDY ON FINANCIAL STATEMENT ANALYSIS IN GODWIN TELE PRODUCTION COMPANY

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ABSTRACT: - A tele production company is a company that specializes in producing television programs, films, videos, and other multimedia content. With the rise of streaming services and digital platforms, the demand for high-quality content has never been greater. As such, tele production companies play a crucial role in the entertainment industry.

This abstract will discuss the services offered by a typical tele production company. These services can include pre-production, production, and post-production activities. Preproduction activities may include scriptwriting, storyboarding, casting, location scouting, and budgeting. Production activities involve shooting the content, which can range from small-scale projects to large-scale productions that require multiple crews and equipment. Post-production activities involve editing the footage, adding sound effects and music, color correction, and finalizing the content for distribution.

INTRODUCTION:

Media House specializing in audio- visual products, audio production, digital visual effects, virtual reconstructions. It is the place where creative inspiration meets technological innovation, thanks to the talent of a number of professionals who create new solutions aimed at informing, entertaining and thrilling the audience.

Modern structure composed of its own sound stages, equipped with the most modern technologies available in the market and of spaces and laboratories for activities such as video editing, colour correction, recording, sound editing, mixing and mastering, computer development of multimedia products. digital artists, programmers, engineers, experts in cultural heritage, technicians and operators, working inside the several departments, develop products and solutions at high creative contents, using cutting-edge tools and innovative working methods.

OBJECTIVES:

- Evaluating financial performance: One of the primary objectives of a financial statement analysis is to evaluate the financial performance of the television production company. This involves examining the company's financial statements to assess its profitability, liquidity, solvency, and efficiency.
- Assessing financial risks: Financial statement analysis can help identify potential financial risks for the television production company, such as high levels of debt, declining revenue, or inefficient use of resources. This allows management to take proactive steps to mitigate these risks.
- Supporting decision-making: Financial statement analysis provides important information for decision-making. By analyzing the company's financial performance, decision-makers can make informed choices about investments, budgeting, pricing, and resource allocation.

NEED FOR STUDY:

- Performance evaluation: Financial statement analysis helps to evaluate the performance of the company over time. This allows the management to identify trends, strengths, and weaknesses and make informed decisions to improve the company's financial health and performance.

- Benchmarking: Financial statement analysis can help a television production company benchmark its performance against industry competitors. This can help the company identify areas where it is performing well and areas where it needs to improve.
- Investment analysis: Investors and creditors often use financial statement analysis to evaluate the company's financial position and performance before making investment decisions. A comprehensive financial analysis can help to attract investors and secure funding for the company.

SCOPE OF THE STUDY:

- Some of the key financial metrics that would be analysed include revenue, expenses, net income, gross margin, operating margin, and cash flow. The analysis would involve comparing these metrics to historical trends and industry benchmarks to identify areas of strength and weakness.
- Financial ratios would also be a critical component of the analysis, providing a more detailed view of the company's financial position and performance. These ratios might include liquidity ratios, such as the current ratio and quick ratio, which would indicate the company's ability to meet short-term obligations. Other ratios, such as debt-to-equity and debt-to-assets, would provide insights into the company's leverage and solvency.
- Profitability ratios, such as return on assets and return on equity, would also be examined to assess the company's overall profitability and efficiency. Activity ratios, such as inventory turnover and accounts receivable turnover, would provide insights into the company's efficiency in managing its assets.
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REVIEW OF LITERATURE

- **Shinde Govind P. & Dubey Manisha (2011)** the study has been conducted considering the segments such as passenger vehicle, commercial vehicle, utility vehicle, two and three wheeler vehicle of key players performance and also analyse SWOT analysis and key factors influencing growth of automobile industry.
- **Sharma Nishi (2011)** studied the financial performance of passenger and commercial vehicle segment of the automobile industry in the terms of four financial parameters namely liquidity, profitability, leverage and managerial efficiency analysis for the period of decade from 2001-02 to 2010-11. The study concludes that profitability and managerial efficiency of Tata motors as well as Mahindra & Mahindra Ltd are satisfactory but their liquidity position is not satisfactory. The liquidity position of commercial vehicle is much better than passenger vehicle segment.
- **Singh Amarjit & Gupta Vinod (2012)** explored an overview of automobile industry. Indian automobile industry itself as a manufacturing hub and many joint ventures have been setup in India with foreign collaboration. SWOT analysis done there are some challenges by the virtue of which automobile industry faces lot of problems and some innovative key features are keyless entry, electrically controlled mechanisms.

RESEARCH METHODOLOGY

METHODOLOGY:

Research methodology is the specific procedures or techniques used to identify, select, process, and analyze information about a topic. In a research paper, the methodology section allows the reader to critically evaluate a study's overall validity and reliability.

The process used to collect information and data for the purpose of making business decisions. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information.

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The process used to collect information and data for the purpose of making business decisions. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information.

SOURCES OF DATA:

The data is collected from the following sources:

- Three years annual report of GODWIN COMPANY from 2020 – 2023
- As the nature of the study relates to know finance performance the main part used was secondary data. It includes profit and loss account, balance sheet etc. Thus the study is based on the published accounts and annual reports of natures GODWIN COMPANY.

TOOLS FOR ANALYSIS:

Ratio analysis is a quantitative method of gaining insight into a company's liquidity, operational efficiency, and profitability by studying its financial statements such as the balance sheet and income statement. Ratio analysis is a cornerstone of fundamental equity analysis.

DATA ANALYSIS AND INTERPRATION:

CURRENT RATIO:

year	2020	2021	2023
current asset	283904.6	518696.6	453482.6
current liability	151585.44	438511.94	313655.9
current ratio	1.872	1.182	1.445

INTERPRETATION:

From the balance sheet the past 3 years of the current ratio was 2020-1.872, 2021- 1.182, 2022- 1.445. The minimum ratio was registered as 1.182 in the year 2021 and the maximum ratio was registered as 1.872 in the year 2020.

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cash	751.45	1037.64	1094.87
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sales	145495.72	126994.81	137864.49
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FINDINGS:

- The research work provides the key findings according to the data analysis.
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- By comparing all the 4 years 2018 has the low liquidity position to meet its short term obligations with its most liquid assets
- Fixed Asset turnover ratio good in the year 2020 with 0.00486 which indicates that the rate at which the company restock items is well balanced with their sales.

CONCLUSION

This study on financial statement analysis in GODWIN Company has provided valuable insights into the financial health and performance of the company. The study employed ratio analysis, trend analysis, and common size analysis to analyze the financial statements of the company for the last five years. The results of the study suggest that the company's financial performance has improved in recent years, with an increase in revenue, net profit, and return on equity.

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