



A STUDY ON FINANCIAL PERFORMANCE ANALYSIS IN ORCADE HEALTH CARE PVT LTD, ERODE

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Introduction:

Financial performance analysis is the continuous process of identifying the financial stability and weaknesses of the concern by properly establishing the relationship between the items of balance sheet and profit and loss account. It always helps in short-term and long term forecasting and continuous growth can be identified with the help of financial performance analysis. The initial step involves the re-organization of the complete entire financial data contained on the financial statements. Therefore the continuous financial statements are broke down into individual components and also re-grouped into some of few principle elements according to their social resemblances and affinities. Thus the actual balance sheet and also profit and loss accounts are mutually and completely re-casted and presented in the condensed form entirely thick different from their original shape. The next step is the establishment of significant relationships between the solo or ideal or individual components of annual balance sheet and profit and loss account. This is done throughout the application prospectus tools of financial analysis like flint Ratio analysis, Trend analysis, Common size balance sheet and maximizing comparative Balance sheet. The Final step as, the result obtained by means of crucial application of financial tools is evaluated.

In well briefed financial analysis function is the process of selection, relation and evaluation of financial statements. The tools of analysis are used for constrain the investment value of the business, credit rating and for testing efficiency of concern operation. Thus financial analysis always helps to highlight the real facts and relationships concerning active managerial performance, corporate live efficiency, financial strength and trial weakness and fine credit worthiness of the firm. Positive financial is regarded as the life blood of a business enterprise. In the modern cumulative economy, finance is one of the basic foundations of all the things of economics activities. Financial statements are prepared primary for decision making wisely. They play a dominant role up to setting the frame work and managerial conclusion with be drawn from these statements is of immense use in decisionmaking throughout analysis and interpretation of financial statements. As of it said earlier finance is said to be life love blood of any business every business under taking needs finance for its smooth working, it have to been raise funds from the cheapest and risky source to utilize this in most effective lively manner. So each and every company will be interested in knowing of their own financial performance.

Research Design:

The explanation form of research method is observed for study. The major purpose of analytic research is description of state of their own affairs of the institution as it exists at present. The nature and characteristics of the financial statements of Orcade Health Care Pvt Ltd, Erode have been described in this study.

Methods of Data Collection:

This study is based on the annual report of Orcade Health Care Pvt Ltd, Erode. Hence the information related to, profitability, short term and long term solvency and turnover were very much required for attaining the objectives of the present study.

Tools Applied:

To have a meaningful analysis and interpretation of various data collected, the following tools were made for this study.

- ✓ Comparative Analysis Statement
- ✓ Common Size Analysis Statement
- ✓ Ratio Analysis
- ✓ Trend Analysis

Limitations of the Study:

Financial Performance Analysis reveal data about a successful alive company's incoming earnings from sales and outgoing funds from paying expenses, rent and payroll, for example. However, those Performances do not show how well the company is doing on the given market and the exact worth of it management. In other words, financial Performance could not be the primary documents to analyze a company's performance, as it is limited in information.

Company Profile:

Orcade Healthcare Pvt Ltd, Erode is a renowned and one of the fastest growing companies in India involved exclusively into the manufacturing of Herbal/ Ayurveda products along with Dietary/ Nutraceutical supplements. The foundation stone of the company was laid down in year 2001. The major change in the company started immediately after the New Management took over, under the great and successful leadership and guidance of a team of Doctors headed by Dr. O. P. Sharma. Dr. Sharma carries the experience of conducting clinical trials on herbal medicines for over a period of fine three decades. The company which step-up started on a small scale has now become a reputed herbal products manufacturer in the industry of this growing country.

Dr. Sharma has sentences many major corrections in the infrastructure required for the better business execution. The initial step in the direction was sharing his personal knowledge of herbs found in the breech of Himalayan region with the manufacturing technical team of Firms, which proved to be a boon in the form of Herbal / Ayurveda medicines to the society. A large wide range of New Herbal / Ayurveda products / Formulations has been developed to cure various skin ailments. Many new cultured manufacturing procedures have been incorporated to further increase the product quality and efficacy. His dream is to make people truly aware of the medicinal utility of those plants and to promote Herbal/ Ayurveda. The successor management aims to make people aware that Herbal/Ayurveda medicines give long term fitness as against the allopathic avoidable medicines, also these medicines have less toxicity and no side effects and are very well absorbed in the human body and provide nature permanent cure to many ailments.

Company's Mission:

We want to offer the products of highest best quality standards at the most competitive prices in India. We are on a never ending culture research, development and production of a broad spectrum of Herbal/ Ayurvedic and nutraceutical products and thriving to fulfill the complete needs of our valued customers in terms of product wide range, quality, efficacy, safety and price.

Company's Vision:

We aspire to work on our consistent self-improvising mind-set and be the best manufacturer and supplier of high quality Herbal Ayurvedic and Nutraceutical products in the country. We always aim at satisfaction and reliability of our associates for quality and purity of the product for long lifetime.

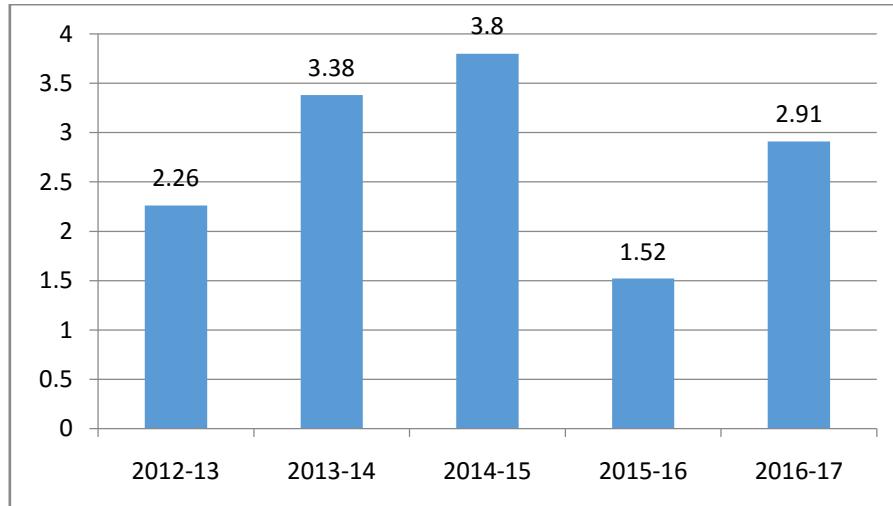
Data Analysis and Interpretation:**Current Ratio:**

Year	Current Asset	Current Liabilities	Ratio
2012-13	63,232,294	27,943,268	2.26
2013-14	96,699,412	28,547,982	3.38
2014-15	87,908,620	23,128,596	3.8
2015-16	98,197,393	64,509,752	1.52
2016-17	56,028,561	19,276,000	2.91

Interpretation:

The above table and diagram shows that the current ratio in the year 2012-13 was 2.26 and then it increases to 3.38 in the year 2013-14, further moves upwards to 3.80 and in the year 2014-15 it slashed down to 1.52 and finally in the year 2015-16 it again moved up to 2.91.

The normal current ratio is 2:1. This above table clearly shows current ratio is more than 2% in all the first four years. But in 2016-17 the current ratio is lower than the normal. This shows that the company is enjoying credit worthiness.



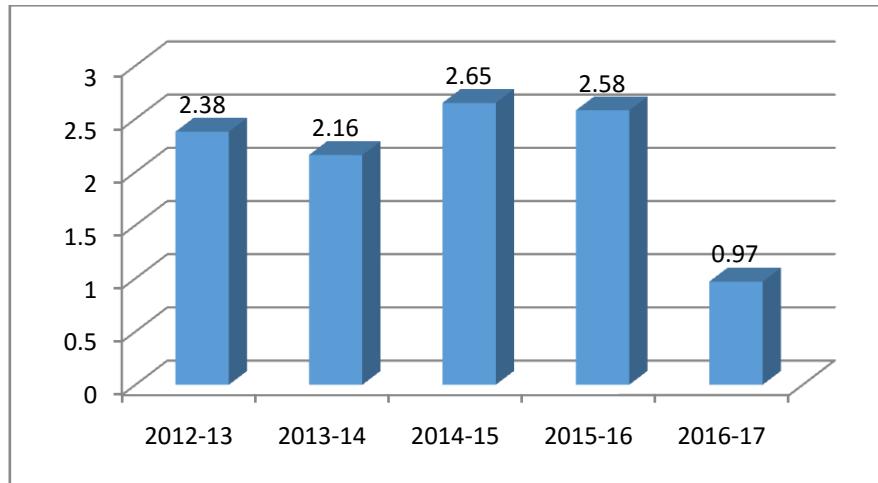
Liquidity Ratio:

Year	Liquidity Assets	Liquidity Liabilities	Ratio
2012-13	47,782,491.51	20,073,088.54	2.38
2013-14	55,809,100.59	25,805,580.98	2.16
2014-15	54,831,547.34	20,615,801.31	2.65
2015-16	76,488,121.13	29,645,904.71	2.58
2016-17	18,362,128.30	18,784,066.35	0.97

Interpretation:

This above table and diagram shows the liquidity ratio during the study period except in the year 2016-17 is more than the normal (i.e.) 1:1. It was 2.38 in the year 2012-13 and reached the highest in 2014-15 to 2.65 and then came down to .97 in the year 2016-17.

Hence the firm is controlling its stock position because there linear relationship between current ratio and liquidity ratio.

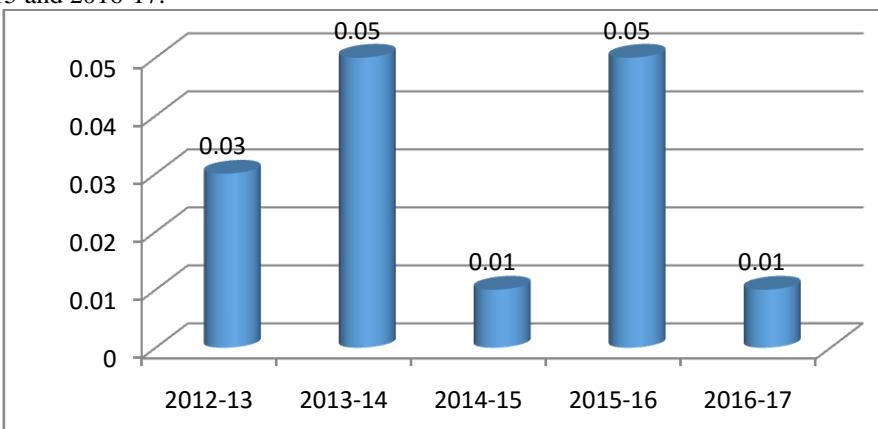


Absolute Liquidity Ratio:

Year	Cash And Securities	Current Liabilities	Ratio
2012-13	1,002,474	27,943,268	0.03
2013-14	1,496,467	28,547,982	0.05
2014-15	332,231	23,128,596	0.01
2015-16	3,225,488	64,509,752	0.05
2016-17	260,094	19,276,000.47	0.01

Interpretation:

The above table and diagram shows the absolute ratio for the study period 2012-13 to 2016-17. There is fluctuation in the absolute ratio. It was 0.03 in the year 2012-13. In 2013-14 and 2015-16 it was 0.05. It was 0.01 in 2014-15 and 2016-17.



Conclusion:

On studying the financial performance of Orcade Health Care Pvt Ltd, Erode. For a period of five years from 2011-12 to 2015-16, the study reveals that the financial performance is better. Orcade Health Care Pvt Ltd, Erode has been able to maintain optimal cost positioning. In phase of price drops in various products, the concern has been able to maintain and grow its market share to make strong margins in market, contributing to

the strong financial position of the company. The company was able to meet its entire requirements for capital expenditures and higher level of working capital commitment with higher volume of operations and from its operating cash flows.

The export sales of Orcade Health Care Pvt Ltd, Erode are only 30% of total sales during 2016-17. Present scenario of Picture tube industry indicates the need for more glass even with the cause of lower production facilities. The company should be known to give more importance to exporters because it provides good net sales value realization but also export benefits.

As it is noticed due to the market situation prevailing the total sales of the organization were affected. Considering the fact that the margins in the export sales are low, but have the potential to raise in the near future, the company can maintain a minimum level of presence in the global market

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