

1.INTRODUCTION TO THE STUDY

Finance is the backbone of any business, and without it, businesses are bound to fail. From managing day-to-day operations to planning for future investments, finance plays a crucial role in ensuring that businesses thrive in today's competitive world. As companies continue to grow and expand, they need financial resources to support their endeavors.

The role of finance in business is critical as it helps organizations achieve their financial goals. Finance encompasses a wide range of activities aimed at managing and maximizing the value of resources available to businesses. It involves analyzing, planning, controlling and reporting on various financial aspects of the company's operations.

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Debt finance is another common type where businesses borrow money from creditors such as banks or other lending institutions. Businesses must pay back this borrowed amount with interest over time.

Financial performance is a complete evaluation of a company's overall standing in categories such as assets, liabilities, equity, expenses, revenue, and overall profitability.

It is measured through various business-related formulas that allow users to calculate exact details regarding a company's potential effectiveness.

For internal users, financial performance is examined to determine their respective companies' well-being and standing, among other benchmarks. For external users, financial performance is analyzed to dictate potential investment opportunities and to determine if a company is worth their while

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.

There are many stakeholders in a company, including trade creditors, bondholders, investors, employees, and management. Each group has an interest in tracking the financial performance of a company. The financial performance identifies how well a company generates revenues and manages its assets, liabilities, and the financial interests of its stakeholders and stockholders.

There are many ways to measure financial performance, but all measures should be taken in aggregate. Line items, such as revenue from operations, operating income, or cash flow from operations can be used, as well as total unit sales. Furthermore, the analyst or wish to look .

1.1 STATEMENT OF RESEARCH

The financial performance of an organization is a crucial indicator of its overall health and sustainability. Forest Industries Travancore Limited, a prominent entity in the forestry sector, plays a vital role in the regional economy. However, the company faces various challenges and opportunities that impact its financial performance. This study aims to analyse the financial performance of Forest Industries Travancore Limited to identify key factors influencing its profitability, liquidity, solvency, and operational efficiency. The core problem this study addresses is the need for a thorough analysis of the financial performance of Forest Industries Travancore Limited to identify strengths, weaknesses, opportunities, and threats. This analysis is essential for stakeholders to make informed decisions and strategize effectively.

1.2 SIGNIFICANCE OF THE STUDY

The study of the financial performance of Forest Industries Travancore Limited holds significant value for various stakeholders, including management, investors, policymakers, and the academic community. The insights derived from this study can have profound implications for decision-making and strategic planning.

1.3 OBJECTIVES OF THE STUDY

1. To evaluate the company's financial health and stability.
2. To assess the company's profitability and return on investment.
3. To analyse the company's liquidity and ability to meet short-term obligations.
4. To investigate the company's solvency and ability to meet long-term obligations.

1.5 RESEARCH DESIGN

This study aims to conduct a comprehensive financial performance analysis of Forest Industries Travancore Limited (FITL), Kochi, using a mixed-methods approach. The research design will employ a combination of quantitative and qualitative methods to analyse the company's financial statements, industry trends, and management practices. The quantitative approach will involve ratio analysis, trend analysis, and comparative analysis of FITL's financial performance with industry benchmarks.

1.6 METHOD OF DATA COLLECTION

The main source of data is the secondary data. The secondary data for the financial performance analysis of Forest Industries Travancore Limited will be sourced from the company's annual reports and financial statements over the past five years. Industry reports and benchmarks will provide comparative data to evaluate the company's performance against industry standards. Financial databases and publications will also be used to gather additional relevant information for the analysis.

1.7 METHOD OF DATA ANALYSIS

The method of data analysis involves applying quantitative techniques such as ratio analysis, trend analysis, and common size analysis to the financial statements of Forest Industries Travancore Limited. Comparative analysis will be conducted to benchmark the company's performance against industry standards. The results will be interpreted to identify key insights and provide actionable recommendations for improving financial performance.

1.8 PERIOD OF THE STUDY

The period of study is from 15 July to 31 August

1.9 CHAPTER SCHEME

Chapter-I

(should contain, Significance of the study, Objectives of the study, Methodology, Chapter Scheme, Limitations of the study).

Chapter-II

Review of Literature Introduction

Chapter-III

Profile of the Company (should contain profile of the Industry and Profile of the Company)

Chapter-IV

Data analysis and Interpretation

Chapter-V

Findings, Recommendations and Conclusion

1.10 LIMITATION OF THE STUDY

1. The study was based on the last 5 years performance only
2. The study is based on historical data
3. Detailed study cannot be conducted due to lack of time
4. It consider only monetary items and non-monetary are ignored.